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ABSTRACT

In this volume, the Commissioner of Education, Dr. John Ottina, and the Director of the National Institute of Education (NIE), Dr. Thomas K. Glennan, Jr., present their budget proposals for fiscal year 1975 and discuss the numerous programs under their direction. The material in this volume consists of formal, prepared material concerning the programs and dialogue between members of the committee and staff members of OE and NIE. (JF)

ED 091845

# DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR 1975

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## HEARINGS

BEFORE A

## SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

SECOND SESSION

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SUBCOMMITTEE ON DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS

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## PART 5

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# DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR FISCAL YEAR 1975

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FRIDAY, APRIL 5, 1974

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

## OFFICE OF EDUCATION

### Commissioner of Education

### WITNESSES

DR. JOHN OTTINA, COMMISSIONER OF EDUCATION

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CORA P. BEEBE, ACTING BUDGET OFFICER

CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET

Mr. Flood. The committee will come to order.

### WITNESS INTRODUCTION

Now we have the Office of Education. The presentation will be made by the Commissioner of Education, Dr. John Ottina.

We have a biographical sketch of you which we will place in the record at this point.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: John R. Ottina.

Position: U.S. Commissioner.

Birthplace and date: Los Angeles, Calif., November 5, 1931.

Education: University of California at Los Angeles, 1953, Bachelor of Arts. University of California at Los Angeles, 1955, Master of Arts. University of Southern California, 1964, Doctor of Philosophy.

Experience—Present: U.S. Commissioner. 1971–72: Deputy Commissioner for Planning, Evaluation and, Management, OE, 1970–71: Deputy Commissioner for Development, OE, 1969–70; Executive vice president, Computer Systems, King, Resources Co. and chairman of the board and president, Worldwide Information Systems, Los Angeles.

1958–69: Vice president, System Development Corp. Santa Monica, 1956–58; Mathematical Analyst. Lockheed Aircraft Corp. Los Angeles, 1954–56: Teacher, Secondary School, Los Angeles.

Association memberships: California Teachers Association, Association for Computing Machinery, American Management Association.

Publications: Papers published in the following: Information System Science and Technology, System Engineering Conference, Symposia on Computer Program for Command and Control Systems (Shape Technical Center), California Journal of Educational Research.

### BIOGRAPHICAL SKETCH

Name: Duane J. Mattheis.

Position: Acting Executive Deputy Commissioner, Office of Education.

Birthplace and date: Ellendale, N. Dak., October 20, 1927.

Education: University of North Dakota (Ellendale branch), 1950, B.S. University of Northern Colorado, 1954, M.A. Stanford University, 1971, M.E.A. Graduate Study: Mankato State College, 1956; Columbia University, 1962; University of Minnesota, 1963.

Experience: Present, Acting Executive Deputy Commissioner. 1971–74, Deputy Commissioner for School Systems, Office of Education. 1969–71, Stanford University, Graduate Study. 1964–69, Commissioner of Education, Minnesota. 1958–64, Owatonna Public Schools, Owatonna, Minn., superintendent of schools. 1956–58, Owatonna Junior-Senior High School, Owatonna, Minn., assistant principal. 1954–56 Granite Falls Junior-Senior High Schools, Granite Falls, Minn., principal. 1953–54, LeRoy Junior-Senior High School, LeRoy, Minn., principal, classroom teacher, athletic coach. 1950–53, Granite Falls Junior-Senior High School, Granite Falls, Minn., classroom teacher of science and mathematics and athletic coach.

Association memberships: National Education Association. American Association of School Administrators. Phi Delta Kappa.

### BIOGRAPHICAL SKETCH

Name: Charles Miller II.

Position: Deputy Assistant Secretary, Budget.

Birthplace and date: Philadelphia, Pa., November 22, 1923.

Education: B.A., Princeton University 1947, major, history; M.A., University of Pennsylvania 1948, major, political science.

Honors: Graduated cum laude from Princeton, 1947. Elected to National Social Science Honor Society (Pi Gamma Mu) 1948. Superior Service Award, DHEW, 1964. Quality salary increase, November 1968.

Military service: 1943–46, U.S. Army, 2d Lieutenant.

Experience: Present, Deputy Assistant Secretary, Budget. 1969–70, Director, Division of Budget Office of the Secretary, DHEW. 1968–69, Director, Office of Financial Management, HSMHA, DHEW. 1967–68, Director of Finance, Public Health Service, DHEW. 1965–67, Chief, Financial Management Branch, NIH, DHEW. 1960–65, Chief, Management Policy Branch, NIH, DHEW. 1958–60, As-

**sistant to Assistant Secretary for Administration, DHEW. 1950–58, Management Analyst, Social Security Administration, DHEW.**

Mr. FLOOD. Do you have anybody with you that you want us to meet?

Dr. OTTINA. I would like to introduce my colleagues at the table. To my left is an old acquaintance of yours, Mr. Peter Muirhead, Deputy Commissioner for Postsecondary Education. To his left is Dr. Edward Martin, Associate Commissioner of Office of Programs for the Handicapped.

To my right is Duane Mattheis, Acting Deputy Commissioner. To his right Dr. William Pierce, Deputy Commissioner, Bureau of Occupational and Adult Education. Robert R. Wheeler, Acting Deputy Commissioner, Bureau of School Systems. You will recognize your old friend, Mr. Miller, Deputy Assistant Secretary of Budget.

Mr. FLOOD. Commissioner, I hope you realize the committee will need the full cooperation of both you and your staff in order to get through the hearings on the 1975 budget. I know you are busy with a lot of things between here and everyplace else, but I point out to you that the members of the committee have a few things to do as well. People say to me "Flood, how do you keep that waistline?" You spend a couple of weeks with me around here and you will find out.

As of 9:30 this morning—and this is the first time this ever happened since I have been on the Appropriations Committee, which has been a long time. From back in 1945 I have been on several subcommittees and so on. But we had not received a single opening statement on any of the education budget requests, not one, at 9:30 this morning.

By the way, this includes your own opening statement. I just don't believe it.

Frankly I can't understand the delay because you have certainly had plenty of time. The members of this committee simply must have this opening statement at the very, very least 24 hours before the hearings. These members are on other subcommittees with hearings now. You know that. They are in and out. They want these statements. They take them home and read these things. I take them with me. It is even more difficult for the staff.

There is no sense in going on about this but it is simply appalling.

Dr. OTTINA. Mr. Chairman, let me reassure you we do understand the need for the statement and we will make sure——

Mr. FLOOD. I can't imagine it is your fault. You are probably as surprised as I am. That is my guess; I don't know. I don't want you to pass the buck or anything like that.

I don't want to break down and cry, but I am not kidding. It is very, very bad.

Doctor, you have a prepared statement, finally. How do you want to proceed with it?

Dr. OTTINA. If I may again apologize for it being late, perhaps it would serve the committee best if I proceeded to read the prepared statement.

Mr. FLOOD. All right, suppose you do.

## OPENING STATEMENT

Dr. OTTINA. Mr. Chairman and members of the committee: It is a pleasure to be here once again and to present our budget proposals for fiscal year 1975. You will hear today many familiar themes as we delineate the ideas and objectives that have guided us in developing our request for the coming year. Although our basic goals in education have not changed since last year, we have continued to develop new ideas and to improve those approaches which we think will move us toward the overall objective of enhancing the quality of education in this Nation.

Our analysis of the history and development of Office of Education programs has revealed a consistent pattern: As problems were recognized or as issues surfaced, Congress and/or the executive branch responded by establishing a new program. This ad hoc method of coping with challenges and crises has reached the point of diminishing returns. As programs have multiplied, well-intentioned efforts have run the real risk of diluted effect.

To counter the proliferation of categorical aid programs, we have been developing what we believe is a more coherent approach to the myriad of educational issues that confront us. However, in constructing this approach, we have had to take into account certain constraints. These constraints, familiar to anyone involved in the American education scene today, are historical and financial in nature.

The first is presented by the traditional roles of the States and the local school districts. Between them, they share the major responsibility for the support of education and the determination of curricula, teaching certification, and funding practices. Few, I think, would willingly exchange this for a greater Federal presence, nor would we at the Federal level find this desirable. We have therefore consistently sought to be supportive of State and local initiatives and not to intrude upon their proper functions.

The second constraint concerns funding. While congressional appropriations for education have risen dramatically since the breakthrough of land grant legislation in 1890 and the Smith-Hughes Act of 1917, pressure always exists for a larger Federal share of the total cost. However, we have been guided by a basic policy of limiting the Federal role to addressing national priorities and therefore have sought only those funds necessary and critical to our appropriate function.

At the same time, the issues that confront us today are pervasive and national in scope: illiteracy: the legal and moral requirements of desegregation: the need to equalize postsecondary educational opportunities: the goal of bringing minorities, the handicapped, and other disadvantaged groups into the mainstream of our educational system; the desirability of determining the best way to improve the quality of education.

The challenge, then, has been to develop an effective Federal role in education given the very constraints that would seem to determine only a marginal impact on problems of the magnitude as those I just mentioned. The resolution, I believe, is for us at the Federal level to work within these constraints and develop a strategy that will insure that available Federal funds are brought to bear in an effective way on these major problems. We should not yield to demands that the Federal Government assume the funding responsibility for every educational activity.

## GOALS OF PRESENT APPROPRIATION REQUEST

We believe that the basic Federal role in education is to equalize opportunity at all levels of education for all individuals. We are concerned not only that individuals have access to educational services but that less advantaged individuals have an equal opportunity to reach their fulfillment. Two of our major programs to support access are the civil rights program and the program for the handicapped which have focused on unique aspects of the goal of equalizing educational opportunity. Our postsecondary student aid programs are also concerned with extending equality of opportunity by assuring access. Through several measures designed to remove financial barriers and through considerable funding support, educational opportunity has been greatly extended at the postsecondary level.

Our large focus, however, has been to assure that the disadvantaged receive appropriate services so that their progress through school is not hindered. This goal has supported compensatory education on a massive scale through title I of the ESEA. This law has authorized compensatory education services for the least advantaged of this country's children—including the migrants, the handicapped, and the neglected or delinquents in State institutions.

The Office of Education is also concerned about the quality of American education. We have therefore sought to improve the effectiveness of the Nation's educational system with support for programs that assess educational progress, that demonstrate successful practices and that disseminate proven approaches or eductional products. In thus developing our knowledge about education and making this knowledge available to potential users, the ultimate beneficiary, of course, is the individual student.

Right to read, bilingual education, parts of education for the handicapped, and evaluation and dissemination are some of the OE programs that address the challenge of improving the effectiveness of educational practices and sharing the results of validated educational practices and the results of research and development efforts with the education community nationally.

A third goal is to improve the mechanisms by which funds are distributed to recipients. We are supporting three approaches to this goal. First, we are proposing to target available funds on fewer programs so as not to dilute the impact of these funds. Second, at the postsecondary level we have successfully worked with the Congress to obtain legislation and funding for an entirely new concept in student aid whereby assistance goes directly to the students most in need and uniformly in proportion to need. Third, in elementary and secondary education we have proposed grants consolidation to provide a simplified and more equitable distribution of funds and a greater role for the State and local education agencies in determining how Federal grants should be spent.

Efforts to streamline the delivery of funds have affected our proposals in other areas as well. For example, we hope to see passage of legislation that will consolidate and simplify the various programs authorized for education for the handicapped. We are also proposing to replace the present authorization for emergency school aid that requires a State allocation of funds with legislation that will provide project authority, enabling us to target aid precisely on those districts still in need of special desegregation assistance.

Our budget reflects a positive approach to these three goals of equalizing educational opportunity for all individuals, improving the efficiency and effectiveness of our educational system, and improving mechanisms for the delivery of Federal aid in ways which will maximize the opportunity for choice in the use of these funds by the recipients, whether they be individuals, institutions, State or local educational agencies, or other organizations. Specifically:

Through compensatory education, education for the handicapped, bilingual education, and increased opportunities for education after high school, options are opened up for individuals who might otherwise be severely limited in the range of choices available to them in life.

Through the Federal effort to share knowledge about education, information about alternatives in educational systems, curricula, and materials is assured so that real choices may be made by teachers and educators.

Through program consolidation and funding reform, decisionmaking is moved away from the Federal bureaucracy and closer to those most affected.

## STATUS OF AUTHORIZATIONS

I think it is appropriate at this point that I comment on the status of authorizations for programs included in the budget request or currently funded. As you know, essentially all of the authorities for elementary and secondary programs administered by the Office of Education expired technically on June 30, 1973, but were extended automatically under section 413(c) of the GEPA through June 30 of this year. We require new authorizations for elementary and secondary education programs for fiscal year 1975. The only exceptions to this are the "A" portion of Public Law 874 and Public Law 815 (the impact aid programs), which are permanently authorized, the new Indian Education Act (title III of Public Law 874 and section 810 of ESEA) NDEA title III (equipment) which was extended in the Education Amendments of 1972, and Follow Through which will be authorized under the 1-year automatic extension. All of the Education of the Handicapped Act except part F (Instructional Media), and the Adult Education Act except section 314 (adult Indians), the Environmental Education Act, the Drug Abuse Education Act, and the Emergency Insured Student Loan Act also lack authorization for fiscal year 1975.

We have authority at least through fiscal year 1975 for our higher education programs, vocational education, Indian education, public library programs, the Emergency School Aid Act, educational broadcasting facilities programs, and programs supported under the Cooperative Research Act.

In those cases where authority will have expired by June 30, I am happy to report that an extension of authority in a form meeting our budget requests is included in House Resolution 69, passed by the House, and in S. 1539 pending before the Senate.

The Environmental Education Act is extended by H.R. 3927, and the Drug Abuse Education Act of 1970 is extended in H.R. 9456. Both measures have passed the House and are pending before the Senate. While not truly authorizing legislation, we have requested extension of the Emergency Insured Student Loan Act of 1969 which provides the basis for the additional interest subsidy of up to 3 percent over the 7 percent statutorily provided level for the guaranteed loan program. H.R. 12253, on which the conferees have agreed, includes a 1-year extension of this authority. We expect that final action will be taken taken by the two Houses on the conference report soon.

Having expressed some of the ideas that helped determine our budget request this year and having outlined the status of authorizations, I would like now to focus on some of the highlights of that request.

The Office of Education budget for fiscal year 1975 amounts to about $6 billion, slightly more than the $5.9 billion made available with the 1974 appropriation after the 5 percent authorized reduction. However, our budget request is inextricably bound up with our proposals for new legislation. A full understanding, therefore, of our fiscal year 1975 request can be gained only by a consideration of proposed legislation at the same time.

I am sure the committee does not need me to remind them that our budget request was submitted to you prior to the House's action on House bill 69. The statements that we have prepared follow in logic the sequence of the budget proposal that is before you. In each section I will try to comment on what the effect of House bill 69 would be on that particular section. I am sure that the committee will bear with me.

It is a very difficult process to walk through because there are some differences between the two.

Our major proposal to replace and reform expired legislation concerns elementary and secondary education, vocational, and adult education. Grants consolidation would serve to simplify program operation, increase the flexibility of school administrators in meeting local priorities, and provide new allocation formulae that would distribute assistance to the States and localities more equitably. Forward funding, which we shall seek through a supplemental appropriations request this fiscal year as soon as we know what consolidations the Congress has authorized, will also allow for better planning and budgeting for use of these Federal funds by State and local officials.

Through grants consolidation, we originally proposed to focus on six priority areas: (1) Disadvantaged, (2) handicapped, (3) innovation, (4) support services, (5) vocational education, and (6) adult education.

We have been working long and hard with the Congress to develop an elementary and secondary education package which will best serve to increase equal educational opportunity and provide for more efficient and effective delivery of services. Just recently, the House passed H.R. 69, the Elementary and Secondary Education Amendments of 1974. The Senate has also reported out the Education Amendments of 1974, S. 1539. We will continue to work closely with the Congress to produce a result which is acceptable to all of us.

Our budget proposed under grants consolidation exceeds the total amount appropriated last year for the different programs to be consolidated. Specifically, programs proposed for consolidation were funded at nearly $2.7 billion in fiscal year 1974. The fiscal year 1974 proposed advanced funding supplemental would increase that amount to just over $2.8 billion and our fiscal year 1975 budget calls for almost $2.9 billion.

The disadvantaged would modify title I of the Elementary and Secondary Education Act consolidating parts A, B and C and by adopting an updated distribution formula. We will be asking funding for the new disadvantaged priority in an amount in excess of the total appropriations currently available for all of title I which was $1.72 billion. We shall request $1.88 billion in our forward funding supplemental and $1.9 billion for fiscal year 1975. We hope the bulk of the funds for this priority will continue to support projects in the basic skills—reading, writing, and arithmetic. Without these skills no person can really be said to have equal educational opportunity.

The handicapped priority will continue the State formula grant program presently authorized by the Education for the Handicapped Act, part B. We will request $47.5 million, the same as the 1974 appropriation for this program in our proposed forward funding supplemental, and $50 million for fiscal year 1975. Both H.R. 69 as passed by the House and S. 1539 as reported to the Senate continue this program.

The stimulation of innovation is a most appropriate area for Federal support. We proposed that the funds for four existing categorical programs be merged into one to allow the States a greater role in creating and adopting new models in instruction and guidance that more effectively help students learn and develop. The four programs are: supplementary centers and services (title III, ESEA), the Environmental education act, nutrition and health (section 88 of ESEA), and dropout prevention (section 807 of ESEA). The House, in its action on H.R. 69, adopted a slightly different grouping for this purpose by excluding the Environmental Education Act and adding title V of the Elementary and Secondary Education Act (State department of education support). While this grouping is not identical to the one we proposed, we find it reasonable and satisfactory.

We also proposed to consolidate, under the priority called Support Services, title II and V of the Elementary and Secondary Education Act (library and textbooks, and State department of education support) with title III of the National Defense Education Act (equipment and minor remodeling). This would allow a distribution which could be used flexibly by the States to support basic services. Once again the House, in passing H.R. 69, has utilized a slightly different mix of programs by including title V in the innovation category discussed above and by extracting the guidance, counseling, and testing portion of title III of the Elementary and Secondary Education Act from the innovation area and including it in this category. We believe that this is a reasonable grouping which meets our basic purposes.

In addition we also proposed a consolidation for adult education programs to better enable the States to meet the challenge of eliminating functional illiteracy among the Nation's adults. Three existing categorical aid programs would be merged, with a single State distribution, and the Commissioner's set-aside would be eliminated. H.R. 69 as passed by the House accomplishes this. The 1974 proposed forward funding supplemental and the 1975 budget request would maintain the 1974 operating level of $63 million and thus continue benefits to more than 800,000 adults 16 years and older who have less than an eighth grade education.

Finally, our budget proposal anticipated consolidation of the existing nine separate programs of vocational education into a more simplified package. I would report that we are making good progress in developing the consolidation proposal in consultation with the vocational education community and other interested groups in the field of education. We have been promised hearings on vocational education by the House Committee on Education and Labor. We hope that these hearings and the accomplishment of this remaining consolidation can be achieved soon so that we can proceed with a budget request to this committee.

In summary, our consolidated education grants legislative proposals seek to simplify Federal aid to education and make it more manageable and responsive by reducing the number of programs, reforming the mechanism for getting the money out of Washington to where it is needed, and supporting the principle of State and local control of education. At the same time it preserves the major areas of emphasis—compensatory education, education for the handicapped, innovation, support services, adult education, and vocational education—and thus maintains the focus of Federal funds on established Federal priorities. We are encouraged by the receptivity of Congress to the concept of consolidation and are particularly pleased by portions of H.R. 69 that relate to consolidation.

Now I would like to turn to a discussion of the program under each separate appropriation.

## ELEMENTARY AND SECONDARY EDUCATION

Under the Elementary and Secondary Education appropriation, we are requesting $157.7 million which includes $40 million in a proposed budget amendment. The apparent reduction for this appropriation from the fiscal year 1974 appropriation of $2.1 billion is of course not an actual decrease. Most of the programs formerly appropriated here are now included under legislative proposals for grants consolidation.

Our request of $157.7 million for these programs remaining in this appropriation represents an increase of $8.3 million from their 1974 appropriations.

One of our major activities is Right to Read. We believe that reducing illiteracy in the United States requires both public and private resources, so our efforts in this area are meant to provide facilitating services and resources to stimulate education institutions, governmental agencies, and private organizations to improve and expand their reading and literacy activities. In fiscal year 1975 our request for this program is $12 million. This will provide support for activities to aid State education agencies' programs, to demonstrate the successful reading programs, to reform teacher training, and to disseminate reading information and materials.

We have reconsidered our initial fiscal year 1975 budget request for bilingual education and are proposing two revisions. Under Bilingual Education (ESEA VII) we are requesting an additional $35 million. We are also requesting additional $5 million for Civil Rights Advisory Services under title IV of the Civil Rights Act. The National Institute of Education will also be talking to you about new proposals for research on education in a bilingual setting. We will soon be submitting a formal budget amendment detailing our proposals and hope that the authorizing legislation will be available in time for you to consider them.

For Bilingual Education, the revised request of $70 million represents an increase of $19,650,000 over the fiscal year 1974 appropriation to support demonstration and training projects.

We are requesting $14 million for Education Broadcasting Projects. This activity includes two separate programs, educational broadcasting facilities and educational television programing. Support for Educational broadcasting facilities is proposed at $7 million, a reduction of $8.7 million in view of the substantial progress which has been made in providing national coverage. Funds for educational television programing are requested at $7 million, an increase of $4 million above the appropriation in fiscal year 1974. This increase will not only assist the development of new educational television programs but will also support the Children's Television Workshop, producers of "Sesame Street" and "The Electric Co." These programs have been successful, and educational broadcasting stations such as those aided by the educational broadcasting facilities program recently singled them out as two of the shows they most preferred to offer.

Follow Through is an experimental program initiated in school year 1967–68 to test several alternative approaches to educating disadvantaged children in kindergarten through the third grade while attempting to extend and reinforce the gains made by these children in Head Start or other preschool programs. Twenty-two approaches were instituted in 170 school districts and sites throughout the country in fiscal year 1974.

The funding level for fiscal year 1974 is $41 million, down from the $58 mililon in fiscal year 1973, and in fiscal year 1975 we are proposing another reduction of $6 million. This continues the orderly phase out of this experiment, which will be concluded by the school year 1976–77.

In view of the fact that attention has now been focused on drug abuse and drug education, the need for Federal funds to continue this effort is no longer necessary and we therefore propose to terminate Federal support in this area.

## SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

We have included a request of $340.3 million for impact aid, down $253 million from the fiscal year 1974 appropriation. Federal impact aid well deserves to be considered among programs that equalize educational opportunity since without Federal assistance, States and localities where there are many families living on nontaxable Federal lands would lack the resources to adequately serve school children from these Federal installations. SAFA was originally devised to correct that very inequity. But this rationale justly concerns only "A" children whose parents both live and work on Federal property. We are in fact proposing to increase the amount for "A" children by $15.2 million over the 1974 appropriation. We do not, however, feel that Federal subsidies for the education of "B" children are warranted since the parents of these children do not live on nontaxable property, or do work on nontaxable property and are the source of some local taxes like any other citizen. It is the requested elimination of regular 3(b) payments that accounts for most of our proposed reduction. However, to soften the transition, we are requesting $40 million to be set aside for the hardship cases where the loss of this revenue would mean a loss of more than 5 percent of a local school district's 1973–74 operating budget.

### EMERGENCY SCHOOL AID

We will be appearing before you at a later time to discuss our proposals relating to desegregation. However, I would like to touch briefly on our proposed new legislation.

The Federal Government through its desegregation programs has played an important role in assisting desegregating school districts to correct the inequities of a century of dual school systems. After nearly 4 years of Federal emergency assistance, changing circumstances require an approach different from State apportionments and special set-asides. We are therefore proposing new legislation under which it would be possible to target aid more directly on those schools districts still in need of special desegregation assistance. The need for such assistance continues, but it seems fairly clear that the period of massive desegregation activity has passed.

### EDUCATION FOR THE HANDICAPPED

We have already discussed our proposals to continue the State grant portion of Education for the Handicapped. We are also proposing to consolidate and simplify the various discretionary programs which support efforts to improve education for the handicapped into four categories: (1) resource implementation, (2) innovation and development, (3) professional development, and (4) centers and services for severely handicapped children. This represents an emerging role for the Office of Education for the support of model programs, development activities, demonstrations, resource centers, and the training of educational personnel. We will be appearing before you at a later date to discuss our specific budgetary proposals when authorizing legislation is passed.

### OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

This appropriation covers only a few of the programs formerly included here. All of vocational and adult education programs are included under the forthcoming vocational and adult education proposals. For the other activities included in this appropriation excluding the amounts to be requested under the adult and vocational grants consolidation, we are requesting $55.6 million.

We again propose modest funding for career education. It seeks to reform and refocus educational experiences at the elementary, secondary, and postsecondary levels so that what is taught in the classroom has a closer relationship with the students' future needs. This program will encourage curricular changes which put more emphasis on relating schooling to future job needs, thereby bringing the formal educational system into closer connection with the society in which students are to live and work. The Federal role in this area is to provide national leadership and encourage the development of career education programs primarily through pilot programs, demonstrations and inservice education programs. We are requesting $10 million for these purposes in fiscal year 1975.

An amount of $37.5 million is requested to continue support for the Teacher Corps, a program to train interns and teachers to work with disadvantaged children in low-income schools and to reform the ways in which institutions of higher education train teachers. Legislative changes have been proposed for the Teacher Corps to orient it more toward reform of training practices and to enable the corps to recruit more experienced staff. These changes are essentially embodied in the reported S. 1539 and will be integrated in the existing programs.

Under part of the Education Professions Development Act, $8 million is requested. These funds will support urban/rural school development and the career opportunities programs. These programs, designed as five-year demonstration projects, are now concluding their work as originally scheduled. We are not requesting funds for other educational personnel development programs supported under this act because of an overall surplus of teachers. The budget does, however, continue support for training activities under other legislative authorities for specific shortage areas such as teachers of the handicapped—areas where clear need still exists.

## HIGHER EDUCATION

Consistent with OE's overriding goal of equalizing educational opportunity our main thrust under the higher education appropriation has been to remove financial and motivational barriers to postsecondary education through the student aid mechanism. We have sought to concentrate available funding on those programs which can most equitably and efficiently deliver such funds to students and insure that they have the option to select the institution and course of study of their choice. Each of the last several years, therefore, we have proposed substantial increases in budget requests for student aid and the request now before you represents an increase of close to $300 million over the fiscal year 1974 funding level.

Among the student aid programs, this budget requests emphasizes basic grants, work study opportunities, and guaranteed loans. The basic grant program offers opportunities for choice by permitting students to select their postsecondary institution, and includes schools outside the traditional 4-year institutions, such as vocational schools, technical schools and hospital schools of nursing. Further, this program provides for an equitable distribution of aid based on uniform standards of need. With our request to fully fund basic grants at $1.3

billion, the opportunity to gain access to and continue with postsecondary education will be extended to an estimated 1.6 million students during the 1975–76 academic year under this program.

Our second major student aid effort, the guaranteed student loan program, further extends this opportunity for education by providing access for all students to a loan from a bank or other lending institution. Eligible for participation are not only needy students who will have the interest paid for them while they are in school, but students from middle and upper income families who have need for long-term loans at reasonable rates of interest.

These two programs, together with work-study and cooperative education will provide more than 2,500,000 students assistance in meeting postsecondary education costs in 1975–76—more students than ever before in our Nation's history.

Since financial inducements alone may not be sufficient to increase the attendance of eligible low-income students at postsecondary institutions and insure equality of educational opportunity, $70.3 million is requested for the continuation of special programs for disadvantaged students. These programs (upward bound, talent search, special services and educational opportunity centers) are proposed for consolidation into a single program offering a full range of pre- and post-enrollment counseling and other services for low-income students.

While in general we have proposed reductions in institutional aid programs, there is one exception this year—the developing institutions program. We are requesting $120 million for this program—an increase of $20 million over the previous year. These schools are primarily small, 2-year and 4-year colleges which service minority and low-income students. Even with full implementation of our student aid strategy with its emphasis on increasing opportunities for choice, it is anticipated that large numbers of students will depend on the developing institutions for some time to come to provide access to a postsecondary education. In order to improve these schools, and thus more fully realize the goal of equal educational oportunity for their students, a program to assist these institutions was established. With fiscal year 1973 funds, a major initiative was launched to concentrate available funds on some of these institutions to insure that a significant number would soon move into developed status. In fiscal year 1975, we anticipate spending $68 million of the $120 million request for this aspect of the program.

We are requesting $10 million for foreign language and area studies programs which focus on the training of specialists in foreign languages and cultures and merit Federal support in this period of expanding relations with foreign countries.

In total $2.1 billion is being sought to support postsecondary programs under this appropriation, an increase of $247 million over the 1974 appropriation.

## STUDENT LOAN INSURANCE FUND

Our request under the student loan insurance fund covers default payments on guaranteed student loans insured directly by the Federal Government and on federally reinsured loans guaranteed by State and nonprofit private agencies. The request for Federal interest subsidies, special allowances, and death and disability payments on these loans—the major items—is included under the appropriation for Higher Education. The fiscal year 1974 appropriation for this purpose was $57,883,000. Our supplemental request for an additional $30,785,000 has already been submitted to you. Our fiscal year 1975 request for $115 million represents an increase of $26,332,000 over the fiscal year 1974 total of $88,668,000.

We have recently reported to this committee on our plans to improve the forecasting of defaults, to collect on defaults and to substantially reduce the default rate. We look forward to realizing the improvements which we expect as a result of tighter management.

## LIBRARY RESOURCES

Our request under the Library Resources appropriation is $25 million, down $138 million from fiscal year 1974. The size of this decrease is actually offset to a large degree in budget requests totaling $105 million that support a portion of grants consolidation and proposed new library legislation.

Following a reexamination of our position on the support of libraries we are proposing legislation that defines the appropriate Federal role as that of encouraging local, State and regional groups to share library resources and of supporting the demonstration of improved library practices at all levels. We plan to request $15 million for this purpose, while at the same time identifying school library support as a priority item in our proposed grants consolidation proposal for elementary and secondary education.

Our request, however, also retains some aid for public libraries but does propose a phase down of Federal support in this area. This program has been supported since 1956 and libraries are now eligible for support under General Revenue Sharing.

## SALARIES AND EXPENSES

Finally, I would like to turn to our salaries and expenses request. We are requesting $127,284,000, a net increase of $23,649,000 above the fiscal year 1974 level, which includes funds requested in a supplemental appropriation now before the Congress for the guaranteed student loan program and fund to cover pay raise costs.

Our budget request for program administration represents a net decrease of 114 positions below the 1974 level. Consistent with our budget proposal to phaseout some programs, to fold others into the consolidated education grants program, and to decrease the level of support for still others, we are proposing a total decrease of 470 positions. We are also requesting that 356 authorized positions be used to support expanded or new activities that include basic opportunity grants, the guaranteed student loan program, consolidated education grants program, and packaging field testing. The requested increase of $15,023,000 for program administration is related mainly to an increased number of man-years in fiscal year 1975 and a new item for rental of space included in our budget for the first time this year.

We are proposing $3,500,000 for a new program to identify, package, field test and disseminate validated educational approaches and products which we hope will increase the learning achievement, particularly in basic skills, for the educationally disadvantaged. This program will identify effective approaches and products in compensatory education, assemble the materials for these successful programs into packages that teachers can use, and disseminate packages to State and local officials.

We are requesting $11,600,000, an increase of $2,850,000 for our data systems improvement activity. The statistics program provides data and planning, policy, and administrative use by Federal, State, local and institutionl decisionmakers. This provides the collection data needed for decisions at the Federal level regarding the allocation of funds and preparation of those reports on education required by Congress or the executive branch.

Included under this activity is $4,250,000 for our ongoing program which will give special emphasis to statistical activities measuring the changing nature of postsecondary education, the financing of public schools, the availability of services for the handicapped, and nontraditional approaches such as educational television and radio broadcasting and $6 million for continued support of the Education Commission of the States in its conduct of the national assessment of educational progress.

The proposal also includes $1,350,000 to fund a new initiative to develop a common core of data. This program would replace over time the current uneven and largely inadequate provision for educational statistics in the 50 States, six outlying areas, and the District of Columbia by developing an integrated and interlocking system of educational statistics to meet Federal, State, local and institutional needs for planning and management.

With regard to planning and evaluation funds, we are requesting $9 million for fiscal year 1975. This represents an increase of $1.78 million over the appropriation for fiscal year 1974, and is a request for a partial restoration to the level of the previous 4 years. Last year the Congress reduced requested evaluation funds from $12.7 to $7.2 million (including ESAA). I feel this was an unfortunate setback since we have steadily been improving our evaluation capability and now have a full pipeline of studies underway on most of our major programs. We are now beginning to receive and make use of the results of evaluation studies initiated during the past 2 to 3 years.

Our intention for fiscal year 1975 is to initiate another set of studies leading toward eventual completion of national evaluations on all of the programs we administer. To date we have initiated evaluation studies on about two-thirds of our approximately 100 programs. Reports or summaries on 15 completed studies have been distributed to the congressional committees so far. We would like to close the gap on the other programs as quickly as possible recognizing that this is a slow and costly process.

Mr. Chairman, it has been our pleasure today to detail our proposals for the Office of Education for fiscal year 1975. We have sought to strike a judicious balance between fiscal restraints and the educational challenges that confront us today. Now my colleagues and I would be happy to answer any questions you may have.

Mr. Flood. Dr. Ottina, most of us would like to believe that the American educational system is the best in the world. Still there are indications that maybe this is not the case. Results from the recent college board examinations show a decline in the test scores from the previous year. In fact, verbal scores have declined steadily in the past 10 years.

From where you sit what are your views on the state of the American educational system?

Dr. Ottina. No other nation in the world asks more of an educational system than we do in America. We have placed upon it increasing burdens over the number of years. We have asked it not to educate only a few elite but we have asked it to educate everyone, we have asked it to provide a means of equal opportunity for participation in this society.

As we look at our postsecondary institutions, we are asking them to join in this partnership as well. We are striving through Federal funds and other financial means to ever increase the numbers of students that are attending postsecondary education.

Our system is not an elitist system, it is a system for all, and when the college examinations are given they are given to a broad range of students, an increasingly broad range of students. So that as we watch the average score we find that in average it has decreased.

We will find, I am sure, on close examination that the high scorers are scoring as well if not better than their peers did comparatively years before. But our challenge has been to provide increased opportunities for [illegible].

Consequently, the average has therefore decreased.

Mr. Flood. What about that verbal score? Ten years?

Dr. Ottina. Mr. Chairman, I believe it is largely attributed to the phenomena of increasing and opening access in my opinion. Mr. Muirhead, would you like to comment?

Mr. Muirhead. I think the Commissioner has probably underscored the basic reason why we have watched a slow decline in the verbal scores on the college board examinations. But we have also watched a much broader participation in postsecondary education than we have ever had before. Indeed what has been a major thrust at the national level has been to reach out and open up postsecondary opportunities for those that they were not available to before.

If there has been one very dramatic thing that has happened in the past 10 years, it has been the increase in the number of young people from disadvantaged backgrounds that have gone forward to postsecondary education. Consequently, the test itself has been taken by an altogether different population as the years have gone forward, and it certainly should not be any surprise that the average score would change.

I think a much more meaningful interpretation would be the one that the Commissioner referred to a moment ago—let's take a look at the comparable population that was taking the college board examination 5 years ago with the comparable population taking it today. I would speculate, Mr. Chairman, that we would see the scores maintained at the same level or perhaps better.

Dr. OTTINA. Mr. Chairman, in my responsibility I, from time to time, have the great pleasure of visiting schools and talking with young people. I am sure that you too and members of your committee share that opportunity.

I cannot help, as I walk through our schools today at all levels, but be impressed at the caliber and quality of education that is being offered compared to the education that all of us witnessed not too long ago.

The young people today in high school are studying and mastering ideas and concepts of topics that I studied in graduate school, and I think each of you has found that experience when you have talked with our very many gifted young people.

I marvel at what is being accomplished. In no way do I feel it is inferior.

### FEDERAL SHARE OF EDUCATION SPENDING

Mr. FLOOD. The Federal Government provides about 7 percent of the total spending for elementary and secondary education. Of course many spokesmen for education continue to advocate increasing the Federal share. You have seen the statements that it should be 25 percent, and one group at the same meeting said that it should be more.

What are your views on the Federal role in elementary and secondary education?

Dr. OTTINA. Your statistics, Mr. Chairman, correspond with those I am familiar with. Of the approximately $96 billion that are spent in education, approximately 7 percent are derived from Federal sources.

The role of the Federal Government in education is one which I tried to comment briefly on in my statement.

We are historically, constitutionally, not the primary responsible agent for education. It is clearly a State and local responsibility.

On the other hand, there are clearly some needs that extend beyond any particular institution or any particular State boundaries. These needs are so pervasive that a Federal program is required.

These national concerns I think vary from moment to moment, from institution to institution, from State to State, from level to level. I think they are different in elementary and secondary than they are in higher education or postsecondary education.

Mr. FLOOD. When you finish with this that will be my next question. What about higher education? Handle that separately.

Dr. OTTINA. They differ I believe in both areas.

It seems to me that the Congress and the executive over a number of years have been working to define——

Mr. FLOOD. Don't forget we are talking about dollars now. Seven percent and the insistence that it must be 25 percent. While you are talking philosophically and so on, this is the Appropriations Committee.

Dr. OTTINA. Yes; I understand, sir. I have been trying to develop this relationship in role.

In my view the present set of priorities that are being addressed would not be capable of absorbing——

Mr. FLOOD. You are talking now about elementary and secondary?

Dr. OTTINA. I am talking about elementary and secondary in particular, but I am also talking about postsecondary education as well.

Mr. FLOOD. Higher education?

Dr. OTTINA. Higher education.

Mr. FLOOD. Let's do it in one package.

Dr. OTTINA. Let me start with elementary and secondary. The present set of programs we have been completing that are contained in H.R. 69, as I mentioned earlier, are very similar to those that were advanced by the administration and would not provide a suitable mechanism in my opinion to fund 25 to 33⅓ percent, which is the other number I am familiar with, of education in the elementary and secondary area.

I believe that over time a goal such as expressed is indeed a goal that should be considered from the Federal Government's point of view, not in the context, as I have already noted, of the present set of defined responsibilities and priorities. Perhaps as we as a nation become more concerned with the problems of providing equality of education for all and financing that education we may find, though studies thus far have not substantiated this point, that the States are unable to provide sufficient funds to equalize financing within their boundaries. We may find that even if they achieve it within their boundaries, the disparity between the ability of a State to finance education——

Mr. FLOOD. Let me interrupt you there.

### PER PUPIL DISPARITIES AMONG STATES

There is a pretty wide disparity among our 50 States.

Dr. OTTINA. Indeed there is.

Mr. FLOOD. There is a pretty wide disparity among the States in per pupil expenditures for elementary and secondary education. Don't forget you haven't said much on my first question. You haven't had a chance to say much about higher education, but since you introduced that word "disparity," New York spends $1,584 per pupil.

Dr. OTTINA. That is correct.

Mr. FLOOD. Alabama $590 per pupil.

Dr. OTTINA. That is correct.

Mr. FLOOD. So do you think now that the Federal Government should take an active role in equalizing educational spending among the States?

Dr. OTTINA. As I was commenting, Mr. Chairman, the disparity among States currently is not as severe as within the State.

Mr. FLOOD. What?

Dr. OTTINA. The disparity between State A and State B——

Mr. FLOOD. That is what I am talking about.

Dr. OTTINA [continuing]. Is not as large as you will find within the boundaries of a particular State.

Mr. FLOOD. That is not my question.

Dr. OTTINA. I understand that, sir. What I am saying is that there are two aspects——

Mr. FLOOD. That is very interesting and I would like to see it developed, but we have two things together. We are still talking about the Federal share. But you raise this question of disparity between the States.

Now, put them together and go ahead.

Dr. **Ottina.** Mr. Chairman, what I was leading to in this discussion was that it seems to me that——

Mr. **Flood.** You complicated this question. I didn't.

Dr. **Ottina.** You asked me my views about what might be, and I said first of all that the Federal Government does not seem to be able to fund 25 percent to 33⅓ percent of the total cost. That was your question. Then it seemed to me what you were asking, sir, was what might be a future Federal role and I was commenting that a future Federal role——

Mr. **Flood.** Not what might be. I asked you very flatly about the term "disparity." Do you think now that the Federal Government should have an active, leading role in this business of equalization between the States.

Dr. **Ottina.** Today?

Mr. **Flood.** Certainly.

Dr. **Ottina.** No, sir.

Mr. **Flood.** All right. Go ahead.

Dr. **Ottina.** What I was trying to say, sir, I believe in the long run the Federal Government should consider that role in the context that I was describing. The reason that I say no today is that there are within-the-State problems that first need to be corrected so we can better understand the between-State disparities, and as I noted earlier, studies like the ACIR report commented that States do have within their resources funds to take care of the within-the-State disparities. What I was leading to, sir, was that in time it may develop that equalization is a legitimate role, a role which could lead us to the 25 percent.

Mr. **Flood.** I am using the term "disparity" and the term "equalization" among the States, among the States, interstate, not intrastate. You haven't hit that.

Mr. **Michel.** Is it growing or diminishing?

Dr. **Ottina.** The disparity is diminishing.

Mr. **Flood.** What do you think should be the position of the Federal Government with reference to the question? Is there something the matter with my English this morning or what?

Dr. **Ottina.** I think something is wrong with my hearing this morning, Mr. Chairman.

Mr. **Flood.** Could be.

I will knock on the door and I will come in and ask you for the fifth time.

Dr. **Ottina.** As I said, today the priority that I discussed was that we should fund the programs that we have identified as the Federal roles for the disadvantaged and to develop fully funds to meet those needs. I tried to say that the disparity between States is not a role that should be attacked today.

Did that answer your question?

Mr. **Flood.** I guess. All right.

Mr. **Michel.** Mr. Chairman, might I ask, does it really cost that much more to educate a child in New York than it does in Alabama? There is that disparity. You say it is diminishing but it is still there. How do you account for it?

Dr. **Ottina.** There are a number of factors, Mr. Michel, when we look at costs and the equalization problem. It is, I think, apparent as you look at cost-of-living indexes that the cost of living in New York, in the city of New York, is different than rural Alabama. A dollar will buy you more groceries in one place than the other, will certainly buy you more services in one place than the other.

Mr. Michel. But there is rural New York and there are cities of considerable means in Alabama. You take the two extremes in the extreme States.

Dr. Ottina. Absolutely. Until we begin to understand and are better able to measure what a dollar will buy, the problem of equalization is a very difficult problem to attack because in addressing it from the Federal point of view, in addition to the sheer "What does a dollar buy?" question, the effort of the locality, its ability to support education, and the determination of the program for the particular needs of the child will also affect the cost.

It seems to me all of those things, Mr. Michel, need to be weighed in when we ask the simple question like what will $1,400 buy in New York versus $500 in Alabama.

Mr. Smith. Then involved here is the teacher salaries and fringe benefits for teachers, and the narrowing of disparity is partly due at least, if not in major portion, because other States are adopting the New York salary formulas and fringes, aren't they?

Dr. Ottina. That in large measure is true.

Mr. Smith. The cost of food and all that stuff is not really the big thing involved here.

Dr. Ottina. Teachers' salaries and instructional salaries account for typically 70 to 80 percent of the operating school budget, as you know.

Mr. Flood. I started off with one question. We haven't gotten to the higher education part of the first question at all. Suppose you touch on that now briefly and then elaborate for the record. You certainly haven't done it so far in my opinion. We must have a record on this for a lot of reasons, so when you get that record back take my first question, elementary, secondary, then higher education, vis-a-vis the percentages, and since you raise this question of disparity, then, thirdly, touch on disparity among the States.

[The information follows:]

**What should be the Federal share of total expenditures for elementary and secondary education?**

PERCENT DISTRIBUTION BY SOURCE OF FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION, UNITED STATES, 1969-70 TO 1972-73

| Source of funds | 1969-70 | 1970-71 | 1971-72 | 1972-73 |
|---|---|---|---|---|
| Federal (percent) | 7.3 | 8.1 | 8.4 | 8.3 |
| State (percent) | 35.8 | 35.6 | 36.0 | 36.5 |
| Local (percent) | 46.8 | 46.5 | 45.9 | 45.6 |
| All other (percent) | 10.1 | 9.8 | 9.7 | 9.6 |
| Total, public and nonpublic (percent) | 100.0 | 100.0 | 100.0 | 100.0 |
| Total funds, in billions | $45.5 | $49.2 | $53.8 | $57.5 |
| Federal (percent) | 8.1 | 8.7 | 9.3 | 9.2 |
| State (percent) | 39.8 | 39.4 | 39.8 | 40.3 |
| Local (percent) | 51.9 | 51.7 | 50.7 | 50.3 |
| All other (percent) | .2 | .2 | .2 | .2 |
| Total, public (percent) | 100.0 | 100.0 | 100.0 | 100.0 |
| Total funds, in billions | $41.0 | $44.5 | $48.7 | $52.1 |

Source: U.S. Office of Education, National Center for Educational Statistics.

At the present time, we believe the current level of Federal contribution to elementary and secondary education fulfills its major role as a catalyst for change and betterment in our schools. We have asked Congress for reforms to achieve greater equity in distribution of Federal funds, particularly in the title I allocation formula and in the impact aid program. We have also asked for greater simplicity in the provision of Federal aid to provide more flexibility at the State and local levels in meeting their educational needs, and the Congress is now considering consolidation legislation to this end. We are supporting, with reform leading to greater equity and consolidation, provision for forward funding for Federal programs. In the future, we should continue to examine the Federal role in interstate equalization as we review the effects of recent and pending changes in State support of education and assess their willingness and capacity for financing education.

### WHAT SHOULD BE THE FEDERAL SHARE OF TOTAL EXPENDITURES FOR HIGHER EDUCATION?

Historically, Federal financial support programs for postsecondary education have been a function of changing Federal, State, local, and individual needs. Programs have been funded in support of students, institutions, and for special purposes. In light of this program diversity, it is difficult to identify a specific Federal support level—or percent—for all of postsecondary education. It is possible, however, when a specific Federal purpose or goal has been defined, to estimate the level of Federal support necessary to help achieve that goal. Currently, a major Federal postsecondary education goal and one in which the Office of Education has a major role, is the enhancement of equal educational opportunity. The fiscal year 1975 Office of Education budget request reflects our best estimate of what is required to ensure that each student will have access to sufficient resources to allow the student to obtain a postsecondary education.

In developing the funding levels for the budget request for fiscal year 1975, consideration was given to the expected cost of attendance, expected funding levels of other Federal and State student assistance programs, and resources available to students from all other sources. As a result, for fiscal year 1975, it is estimated that over 2,500,000 students will have available over $5 billion in Federal aid from all sources and over $1.6 billion from the Office of Education alone. [See p. 117, "Special Analyses of Budget, Fiscal Year 1975", for detailed information on outlays and students for Federal student support programs, fiscal year 1973–75.]

Should there be a Federal role to reduce education spending disparities between the various States?

This is a question which the administration has been studying the last 2½ years. Briefly the facts are as follows:

(1) Variation in spending disparities between the States is half as great as that within the States.

(2) Average expenditures ranged from almost $1,800 per pupil in New York to about $650 per pupil in Alabama—a ratio of almost 3 to 1.

(3) Capacity—measured by per capita personal income—to support education ranged from approximately $5,000 in New York and Connecticut to about $2,800 in Mississippi—a ratio slightly less than 2 to 1.

(4) Costs of education vary between the States, somewhat mitigating the spending differentials.

(5) If the Federal Government were to undertake to equalize interstate expenditures through a system which would guarantee each State the national average expenditure for the national average effort the annual cost to the Federal budget would be about $5 billion.

At present we believe that limited Federal dollars can be best spent in areas of recognized national priorities, such as providing compensatory education for the disadvantaged and the handicapped. We believe, however, that the question of Federal aid to provide for removal of financial disparities between States' ability to spend for education should be kept open for later reexamination.

### FEDERAL SHARE OF HIGHER EDUCATION SPENDING

Mr. FLOOD. Just for a moment, what about higher education with reference to my first question?

Dr. OTTINA. The percentage in higher education is much larger than elementary and secondary. Some statistics will show it to be about 25 percent already and it is a very difficult calculation to make because the support of the student is part of what is considered here. It is not the same where the child is living in a home with family, but his own basic support is part of this calculation and makes the comparisons very difficult.

Mr. FLOOD. I ask that question because we have to have the record show this contrast. Make the record show that.

Dr. OTTINA. Indeed we will, sir.

### NONPUBLIC SCHOOLS

Mr. FLOOD. In the past the President has stated his strong belief with reference to nonpublic schools, that they are a vital part of the entire educational system, and that their needs cannot be ignored by the Federal Government.

Now, in the President's 1974 educational message there was no mention made of this issue at all. What is the administration's present policy on Federal aid to nonpublic schools?

Dr. OTTINA. The administration's present policy remains that with a strong desire to find means to better support nonpublic schools, a few of the programs that are presently authorized do indeed provide such support.

In particular, title II of the Elementary and Secondary Education Act has, in the past and title III of the Elementary and Secondary Education Act now has a provision for bypass, in those cases where the State does not provide services to nonpublic schools.

As you know, that bypass has been enacted in the case of Missouri and Nebraska.

Mr. FLOOD. I don't want you to detail now what specific services are provided in nonpublic schools but for the record be sure you do it, not all of them, but just some of the main features of services provided to the nonpublic schools.

[The information follows:]

### FEDERAL ASSISTANCE PROGRAMS FOR STUDENTS ENROLLED IN NONPUBLIC SCHOOLS

#### ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

Congress has provided Federal assistance programs for the participation of students enrolled in both public and nonpublic elementary and secondary schools. Although these programs are administered by public agencies, the provision of benefits to eligible nonpublic school students should be equitable to those provided to public school eligible students.

This list includes programs that have specific provisions in the laws that provide benefits to nonpublic school students as well as other Federal assistance programs in which the participation of nonpublic school children should be encouraged.

## PROGRAMS

### 1. Bilingual Education - Title VII ESEA

This program provides for the development and operation of new programs, services, and activities which meet the special educational needs of children 3-18 years of age who have limited English -speaking ability and who come from environments where the dominent language is not English.

### Assistance Available: Project Grants

Nonprofit private institutions participate in services and projects provided by and administered through the local education agencies who submit proposals for grants to the State education agency, and the Office of Education.

### 2. Consumer Education - Title V, P.L, 92-318

Funds may be used to encourage and support the development of new improved curricula to prepare consumers for participation in the marketplace, to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof.

### Assistance Information: Project Grants

Applications are made to the Director of Consumer's Education. Nonprofit private institutions are eligible recipients of grants.

### 3. Dropout Prevention

This program provides grants to local public education agencies for the development and demonstration of educational practices which show promise of reducing the number of children who fail to complete their elementary and secondary education.

### Assistance Information: Project Grants

Proposals are submitted by local education agencies to the State education agencies and the Office of Education. Nonprofit private school students are eligible to participate in services and projects provided by and administered through local education agencies.

4. Drug Abuse Education

Grants or contracts may be used to support research, demonstration, and pilot projects designed to educate the public on problems related to drug abuse.

Assistance Information: Formula Grants (and Contracts)

Nonprofit private educational agencies, institutions or organizations are eligible grants applicants.

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5. Educationally Deprived Children - Title I ESEA

This program helps meet the needs of children in low-income areas by providing a variety of vitally needed educational services. Each school district determines which programs are needed to help its educationally deprived children. This program specifically includes preschool programs especially designed for migrant children.

Possible programs for children in private schools include shared time, educational radio and television, loan of equipment and materials and sending public school teachers into the private schools for special services.

Assistance Information: Formula Grants

Nonprofit private school children are eligible to participate in services and programs provided by and adminstered through the local educational agencies who submit proposals for grants to the State education agency.

6. Education of the Handicapped

This program helps meet the needs of children who are handicapped by providing a variety of needed educational services.

Possible programs for children in private schools include grants for research and demonstration projects, grants for experimental preschool, and early childhood programs, deaf-blind center, film and instructional media, physical education and recreation, research and training, regional resource centers, handicapped teacher education, teacher recruitment and information.

Assistance Information: Project Grants

Nonprofit private institutions are eligible recipients of grants.

### 7. Emergency School-Aid

This program provides financial assistance to schools to meet special problems incident to desegregation, to encourage voluntary integration; and to aid school children in overcoming the educational disadvantages of minority group isolation.

#### Assistance Information: Project Grants and Contracts

The Assistant Secretary is authorized to make grants to public and private nonprofit agencies for special programs to carry out programs or projects designed to support the development or implementation of a plan, program, or activity under this program.

Children in non-public schools are also eligible to participate in Emergency School Aid activities run by a public local education agency.

### 8. Encourage Full Utilization of Educational Talent

A. Talent Search, designed to identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undetake postsecondary educational training.

B. Upward Bound, designed to generate skills and motivation necessary for success in education beyond high school and in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program.

C. Special Services, for Disadvantaged Students designed to provide remedial and other special services for students with academic potential who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and who, by reason of deprived educational, cultural, or economic background, or physical handicap, are in needs of such services to assist them to initiate, continue, or resume their postsecondary education.

#### Assistance Information: Project Grants

Grants are generally awarded to postsecondary schools, however, in exceptional cases, they may be awarded to public and private nonprofit elementary and secondary schools.

### 9. Environmental Education

Funds may be used to support research, demonstration, and pilot projects designed to educate the public on the problems of environmental quality and ecological balance.

#### Assistance Information; Project Grants

The Commissioner of Education makes the grant award to the applicant. Nonprofit private institutions are eligible grant recipients.

## 10. Ethnic Heritage Studies Programs

Funds may be used to provide assistance designed to afford to students opportunities to learn about the nature of their own culture and heritage, and to study the contributions of the cultural heritages of the other ethnic groups of the Nation.

### Assistance Information: Project Grants

The Commissioner is authorized to make grants to public and private nonprofit educational agencies, institutions and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs.

## 11. Follow Through

This program is designed to sustain and augment in the early primary grades the gains that children from low-income families make in Headstart and other quality preschool programs. Follow Through provides special programs of instruction as well as health nutrition, and other education-related services. Active participation of parents is stressed.

### Assistance Information:

Communities recommended by state departments of education are invited to submit proposals and attend a series of workshops to shape final program and budget components. In most instances, grants are awarded to local public educational agencies. Public and private school children from low-income families are eligible beneficiaries.

## 12. Guidance, Counseling, and Testing - Title III ESEA

Each State must expend no less than 50 percent of the amount expended from Fiscal Year 1970. Federal grant funds for the purposes of Title V-A of the National Defense Education Act, which formerly authorized the guidance counseling and testing program. The Commissioner of Education is authorized to arrange for the testing of nonpublic school students in any State in which the State provides such testing in public schools, but is not authorized by law to make payments for such testing in nonpublic schools. An invitation to bid on testing materials and/or services is sent to test agencies by the Office of Education.

### Assistance Information: Formula Grants

Public and nonprofit private schools are eligible to participate in services and projects provided by and administered through local education agencies which submit proposals for grants to the State education agency.

## 13. Indian Education - Part A 5% Set-Aside

Grants may be made by the Commissioner to assist Indian-controlled private schools provide educational services to Indian children.

### Part B

Indian-controlled private schools, by virtue of the fact that they are Indian agenicies may apply for grants for programs for the improvement of educational opportunities for Indian children.

### Assistance Information:

Project grants applications are made to the acting Deputy Commissioner for Indian Education. Indian-controlled non-profit private schools are eligible recipients of grants.

## 14. Occupational Education

Funds may be used to programs to promote and encourage occupational education.occupational preparation, guidance and counseling, and job placement or placement in postsecondary schools. Provisions are to be made for effective participation by students enrolled in nonprofit private schools.

### Assistance Information: Project Grants for Technical Assistance

The Commissioner is authorized to make grants to or contracts with public or private institutions, organizations, and agencies.

## 15. Preschool.Elementary and Secondary Education Special Programs and Projects

Funds may be used to develop and operate demonstration projects that hold promise of making a substantial contribution to the solution of critical educational problems common to all or several states.

### Assistance Information: Project Grants

Grants are awarded to Local Educational Agencies. Local Educational Agency applications must include provisions for the participation of children from nonprofit private schools.

## 16. The Right To Read

The National Right to Read effort is a coordinated endeavor involving all segments of society, public and private, professional and non-professional, to ensure that in the next decade no American shall be denied a full and productive life because of an inability to read effectively.

Assistance Inforamtion: Project Grants

The Office of Education will solicit from each Chief State School Officer nominations for the placement of Right to Read programs in his State.

## 17. School Health and Nutrition Services for Children from Low-Income Families

To support demonstration projects designed to improve nutrition and health services in public and private schools serving areas with high concentrations of children from low-income families.

Assistance Available: Project Grants

In most instances, grants are awarded to local education agencies, or in exceptional circumstances a private nonprofit educational organizations is eligible. For inclusion in the program, the children must participate in Title I ESEA activities in grades kindergarten or first through sixth, and come from families with low incomes.

## 18. School Library Resources, Textbooks, and other Instructional Materials - Title II ESEA

This program is designed to improve the quality of instruction by providing funds to States to acquire school library resources, textbooks, and other printed and published instructional materials for use in public and private elementary and secondary schools.

Assistance Available: Formula Grants

A State plan serves as a contract or agreement between the State and the Office of Education for the operation of the progra which the State has designed. The Commissioner of Education must approve the plan. Assurance must be provided that instructional materials will be provided on an equitable basis for the use of children and teachers in private elementary and secondary schools.

## 19. Supplementary Educational Centers - Title III ESEA

This program provides funds to assist in provisions of vitally needed educational services and to support local projects designed to demonstrate innovative and exemplary models of meeting the states identified critical educational needs.

Assistance Information: Formula-Grants

Public and nonprofit private schools are eligible to participate in services and projects provided by and administered through local education agencies which submit proposals for grants to the state education agency.

## 20. Surplus Property Utilization Program

This program provides Federal surplus property of all kinds, including tools, furniture, communication and construction machinery for both public and private educational institutions.

Assistance Information:

Sale, exchange, or donation of property and goods. Donee should coordinate with the State Education agency.

## 21. Vocational Education - Cooperative Education

Funds are used to assist the States in conducting programs of Vocational education designed to prepare students for employment through cooperative work-study arrangements.

Assistance Information: Formula Grants

No Federal funds are paid directly to the students for their work. Students in non-public schools are eligible to participate in the program.

## 22. Vocational Education - Innovation

Funds may be used to develop, establish and operate occupational education programs as models for vocational education programs. Special emphasis is given to youths who have academic, socio-economic, or other handicaps.

Assistance Information: Formula Grants; Project Grants

Nonprofit private agencies, organizations, or institutions are eligible project grant applicants.

## 23. Vocational Education Special Needs

Funds may be used to provide grant support for programs for persons handicapped, persons who have academic, socio-economic, or other social handicaps that prevent them from succeeding in the regular vocational education programs.

Assistance Information: Formula Grants

Eligible persons attending nonpublic schools are entitled to participate in programs.

Mr. **Flood.** Go ahead on the question itself.

Dr. **Ottina.** Those two are the primary sources in elementary and secondary education. As you know, in the programs of higher education the distinction is not made. The Federal Government treats the public and private institutions more evenhandedly, and both participate in a much more equal way in the Federal programs.

Again there are no specific provisions that would drastically change that relationship in H.R. 69 that I am aware of. It would continue approximately the relationship that exists now.

### 1975 BUDGET REQUEST

Mr. **Flood.** In the 1975 budget the total request for elementary and secondary education is $3.6 billion. That is less than the $3.9 billion which we appropriated in 1974. Now this continuing inflation, inflation, inflation, and projected increases that result from the energy problem. What about this? How in the world can you justify providing less, rather than more, Federal aid to elementary and secondary education?

Dr. **Ottina.** Mr. Chairman, if I may first treat the energy crisis and the escalating costs, since I understood that to be part of your question, let me point out that, though clearly the costs of energy have in the last few months increased markedly and the conditions vary greatly from region to region of our country, both climatically and in terms of transportation that is required to move pupils to schools, these in the total school budget represent relatively small costs.

Both items taken together at a national level aggregate to less than 3 percent of the operating costs of a school budget.

Mr. **Flood.** There is 3 percent.

Dr. **Ottina.** That includes the salaries of the personnel that are required to operate vehicles as well in the statistics that I was quoting.

Mr. **Flood.** You say the energy situation. What about inflation?

Dr. **Ottina.** Clearly, Mr. Chairman, there has been an increase in price levels in the last several years in this Nation and the same amount of dollars that we are requesting, or lesser amount in the case that you pointed out, would not buy the same services as previously.

Mr. **Flood.** At one time Dean Pound of the Harvard Law School would ask me a question and I would take about 30 minutes to answer the question and he would just stand there and look at me.

When I finished he would say, "Well, Mr. Flood, you have just restated the question. What is the answer?"

Dr. **Ottina.** There are only two major areas that would account for the reduction in the numbers that you cited.

The two areas in which the very large reductions are being proposed are in impacted aid in which, as I commented earlier, several hundred millions of dollars are being proposed as a reduction and also when you quoted the two comparative statistics, the other area that would show a decrease comparatively is the Emergency School Aid Act.

If you take the decreases that are being proposed in these two items, they are larger than the decrease that you cited in your figures for elementary and secondary education, so that what we should be looking at is the validity of decreasing these two programs; then the comparison of the rest would show an increase rather than a decrease.

### EXPIRING AUTHORIZATIONS

Mr. FLOOD. This committee is going to have a pretty difficult problem, a question of timing, with the programs for elementary and secondary education because of the delay in passage of the authorization act.

It is a question of not having any law. If the authorization is not enacted by June 1 of this year, what action, if any, would you suggest that this committee take?

Dr. OTTINA. Mr. Chairman, in my knowledge of the law and the administration I could not suggest any action to you. The authorization, as I understand it, expires and from my very elementary understanding——

Mr. FLOOD. You fellows haven't sat around that table down there, with or without sugar in your coffee, and talked about that one?

Dr. OTTINA. Indeed we have.

Mr. FLOOD. So what?

Dr. OTTINA. Our sugar and coffee answer is to try to induce the Congress to move swiftly before the first of June.

Mr. MILLER. Mr. Chairman, this is the first year that I can recall that we have been before you with an educational package that didn't have an automatic 1-year extension in legislation.

So the authorization runs out, and there is really only one answer and that is whatever action Congress takes on the continuing resolution. There is no other answer.

Mr. FLOOD. All right.

### FORWARD FUNDING

The President's budget proposes advance funding for elementary and secondary education to be requested in a 1974 supplemental when the authorization is enacted.

Dr. OTTINA. Yes, sir.

Mr. FLOOD. You know and I know and you know that I know that you know that I know that the authority for advance funding of education programs has been in the law since 1968, so why are you making such a big deal out of that in this budget?

Dr. OTTINA. Even though it has been permitted, to the best of my knowledge in most of the programs we have talked about it has never been requested. We think it is an important step. We would like you to consider it and we are prepared to ask you to.

Mr. FLOOD. I know, but why such a big thing now? The indication is that all of a sudden here is advance funding. This has been the law since 1968 Why make a big thing out of it now?

Dr. OTTINA. Mr. Chairman, to my knowledge, as I said, there has never been a request to take advantage of that provision except in title I of ESEA. This is merely a request to take advantage of the law that you cited and we think it is important for reasons that I think are very familiar to you.

Mr. SMITH. Mr. Chairman, to clear that up, didn't we in the House advance funds 3 years ago or sometime and it was dropped in conference because we had to squeeze down so we didn't have so much over the President's budget?

Dr. OTTINA. I believe your statement is correct and I believe that at one time title I of the Elementary and Secondary Education Act was requested in that fashion.

Mr. SMITH. That is the big one. I think we put in at about 90 percent of what we thought they would need and we finally dropped it.

Mr. FLOOD. That is right. HEW has difficulty in estimating appropriation requirements from one year to the next and, boy, do they. What makes you believe that you can develop a budget estimate to carry out programs 2 years in the future?

Are you Houdini. What makes you think that you can wave a wand and carry out programs 2 years hence?

Dr. OTTINA. I think what we are in effect saying to this committee is that it is of greater advantage, because the Federal funds, in proportion to other funds, are relatively small, to be certain of that amount when planning a State or local education budget than to hang in uncertainty for a number of months, as has been the case in these last 2 years.

Our predicting abilities have not suddenly advanced in the state of the art. Our abilities are no better than HEW's and in many cases far worse. But we think and I believe the schools will support this, that the risk involved of misestimating is a better tradeoff than not knowing what it is that they are going to receive.

Mr. MILLER. Also, Mr. Chairman, for a long time now we have been forward funding most of the programs that relate to the students and the academic year in higher education. All of our training programs in health have been forward funded and most of our general student assistance programs in higher education.

As the Commissioner says, while our estimates may be wrong, it is much better to at least let the bulk of the students know what they have available in the coming year and come back for a supplemental or reduce the appropriation if our estimates are wrong.

### EMPHASIS ON HIGHER EDUCATION STUDENT AID

Mr. FLOOD. The higher education budget is based on a phasing out of most forms of institutional aid in favor of student aid. Right?

Dr. OTTINA. Yes, sir.

Mr. FLOOD. Are you opposed in principle to institutional aid, or is this a question of lack of resources, or what?

Dr. OTTINA. It is very largely——

Mr. FLOOD. Limited resources.

Dr. OTTINA. A limited resources problem, Mr. Chairman.

We have, as this committee well knows, a limited number of dollars and we feel that the most effective way to spend those dollars is through student aid rather than institutional aid.

Mr. FLOOD. But doesn't this policy result in a shifting of the burden of cost now to the student? That is going to bring about sharp increases in the cost of tuition and cost of this and the total cost of education, isn't it?

Mr. MUIRHEAD. I don't think it necessarily flows from the strategy that is in the budget that we are presenting to you, Mr. Chairman, that there would be any stimulation toward increased tuition. Tuitions are going to increase in our colleges for reasons other than the Federal support. We have all observed that the impact of the economy, the cost of living, inflation, is having its effect upon tuition costs in the colleges, but it is not as a result of the support of our student programs.

Now, you did ask, Mr. Chairman, as to what the posture is in this budget with regard to institutional aid. By and large the posture of the administration in terms of support of institutions is the policy that is imbedded in the law, the Education Amendments of 1972 which were passed overwhelmingly by the Congress and signed enthusiastically by the President.

The amendments represent the policy, and the policy with regard to institutional aid is that insofar as institutions are committed to serving the disadvantaged, we will reach out to help them with the additional costs that flow from that commitment.

However, we are before you now with a proposal saying that with the limited amount of resources that are available we think that the priority should go to student assistance and that insofar as there is money available for institutional assistance it should go to the developing institutions. You, I am sure, have observed we have come forward with a modest increase in that program.

### TEACHER TRAINING

Mr. FLOOD. It is pretty generally understood that there is a surplus of elementary and secondary school teachers. I note that the budget proposes a phaseout of education personnel training, except, of course, for the Teacher Corps.

You mention that in your statement.

This budget reduction on that basis would make a great deal of sense if it was not for the fact that the same source of information tells us that there continues to be shortages in certain geographic areas and in specialized teaching areas.

How are we going to overcome those shortages?

Dr. OTTINA. Mr. Chairman, although there is a general surplus, as your question asks, there are at least two specific shortage areas, handicapped or special education and bilingual education.

Mr. FLOOD. They are specialized areas.

Dr. OTTINA. Yes, sir.

Mr. FLOOD. Geographic and specialization.

Dr. OTTINA. Yes. Let me take the specialization problem first. In both areas where we have identified needs because of lack of specialized people we have asked this committee for funds to train, or retrain in the inservice mode, teachers to deal with the special problems of bilingual education or handicapped education. So, in those cases where we believe there are shortages, we have asked for funds to deal with that problem.

In the case of the geographical distribution, we find that problem a very difficult one to deal with because it is very difficult to create a situation to encourage teachers to prepare and then to insist that they go to specific geographical areas.

The market exists. The teachers are available; and, if they are generally trained and there are general openings we do not see that it would be incumbent on the Federal Government to add to that surplus by funding the preparation of new teachers as a specific category.

Mr. FLOOD. Let me ask you this.

Do you actually down in your shop have available the information needed to make judgments about the supply and demand for teachers and all other educational personnel? You know about this recent GAO report.

Dr. OTTINA. Indeed I have read that.

Mr. FLOOD. I'll bet. That indicates a lack of adequate information about supply and demand conditions within the education profession. Do you actually have that information?

Dr. OTTINA. Not to the degree that you or I either would like but we have in our hands and we have available to us a number of studies prepared by a number of other organizations which concern themselves with projection and location of teachers, to come to a conclusion at a national level that the surplus does exist. I don't believe that there is any source that I have seen recently that would claim that we are in a shortage situation today. So for overall national needs I believe that we have sufficient information to establish that there is a surplus. We do survey, from time to time, individual school districts asking them the number of openings that they have and the kinds of personnel they are looking for to fill those openings, and we are able to provide on a sample basis statistics along those lines.

We do not have in place a manpower system that tracks available personnel throughout the United States in the educational profession, where they are employed and if they are employed. We have not attempted to develop such a statistic.

### BILINGUAL EDUCATION

Mr. FLOOD. On the budget for bilingual education, $35 million, that is a decrease of $15 million from the 1974 apropriation. You knew about that recent Supreme Court decision, *Lau* v. *Nichols*. That certainly is going to have a very significant impact on all school systems that serve all children from a non-English-speaking background.

Why shouldn't the Federal Government at least continue the present commitment for bilingual education?

Dr. OTTINA. Mr. Chairman, that decision that was rendered, *Lau* v. *Nichols*, on January 21 of this year indeed prompted us to modify our position and, as I mentioned earlier, we are not only proposing to maintain the present level but increase it, and the amount that we are suggesting to fund this program is $70 million for title VII, not the $35 million that was originally contained in the budget.

Mr. FLOOD. When are you going to submit that to Congress?

Mr. MILLER. Mr. Chairman, I can't say exactly but it will be long before you mark up.

### PROGRAM EVALUATION

Mr. FLOOD. The need for evaluation of Federal programs has been pretty widely accepted by the committee and we have certainly right along supported budget requests for evaluation funds, no question about that.

In the 1974 appropriation bill you remember the committee cut that request for evaluation of education programs, not because we thought it wasn't necessary, not at all, but because of the utter frustration we felt about the lack of results from this huge investment in these evaluation activities.

You are the Commissioner of Education. Do you feel that these evaluation funds have produced any useful information to help you make your decisions?

**Dr. Ottina.** Yes, absolutely. We have a number of evaluation studies which have directly influenced proposals that we have made to the Congress, which have directly influenced our administration of the program, which have directly influenced our conceptualization about what the program should or should not do, and which have influenced our decisions on recommendations in terms of program funding levels.

On the other hand, I cannot with any degree of confidence say that the job is near begun, let alone completed. The state of the art is a state that is developing. It is not a state that is in its advanced forms.

We have a great deal to learn about how to do it, as well as learning what it is that we have found out.

**Mr. Flood.** Suppose you put in the record a table showing the amount spent for evaluation in the last 5 fiscal years.

**Dr. Ottina.** We would be pleased to.

[The information follows:]

*Office of Education planning and evaluation appropriations*

| Fiscal year: | (Thousands) |
|---|---|
| 1970 | $9,512 |
| 1971 [1] | 12,475 |
| 1972 [1, 2] | 12,225 |
| 1973 [1] | 10,205 |
| 1974 | 7,219 |
| Total | 51,636 |

[1] Includes funds for Educational Policy Research Centers: Fiscal year 1971—$900,000; fiscal year 1972—$900,000; fiscal year 1973—$950,000. In fiscal year 1974 a comparative transfer of $475,000 was made to ASE budget.

[2] Includes $1,000,000 earmarked for NIE planning.

NOTE.—In addition to these funds directly appropriated for planning and evaluation purposes for all OE programs, there is a set-aside of up to 1 percent of ESAP/ESAA programs amounting to $7.2 million from fiscal year 1971 through fiscal year 1974; and a portion of the followthrough program funds amounting to $21.1 million since fiscal year 1970 have been used for the evaluation aspects of the experimental program.

**Dr. Evans.** Mr. Chairman, I wonder if I could add to that just a little bit.

**Mr. Flood.** By the way, don't let this Supreme Court atmosphere throw you off balance. Anybody who wants to volunteer any time, go ahead and do it.

**Dr. Evans.** In the committee report last year, Mr. Chairman, in talking about the cut that the committee rendered in those evaluation funds, the principal reason given in that report was its dissatisfaction with the voluminous and technical character of the report that had been submitted.

I would like to suggest, Mr. Chairman, that that might bear some reexamination on the part of the committee members since it is within the last year or so that we have begun for the first time the transmission to this committee and all other committees, summaries of all completed evaluation studies; and to get away from the problem that you mentioned, we did not in fact submit any voluminous report of the kinds that were referred to. As the Commissioner said, we have undertaken to initiate a number of major studies and some of them have come out with information that certainly could not be regarded as self-serving to the Office of Education such as the major report on the collection of evaluations in title I, and we have recently completed and submitted to the committee the important evaluation on the emergency school assistance program which indicated how that program might be changed and made more effective.

We will be happy as you indicated to submit for the record a full list of studies that are now under way or completed on the other major programs.

Mr. FLOOD. For the last 5 fiscal years so we have this thing nailed down.

[The information follows:]

Elementary & Secondary

## EVALUATION PROJECTS FUNDED, FY 70-74

| Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | In Process Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Exemplary Progs for Disadvantaged | AIR | 97 | 1 | - | - | - | 98 | July 71 | - |
| 2. Longitudinal Study of Demonstration Ed Progs | AIR | 349 | 397 | 448 | 250 | 50 | 1,494 | - | June 74 |
| 3. Incentives Feasibility Study | AIR | 54 | - | - | - | - | 54 | Jan 71 | - |
| 4. Performance Contracting Evaluation | Rand | 300 | - | 18 | - | - | 318 | Dec 72 | - |
| 5. Title I Allocation Formula | NBS | - | 60 | 180 | 210 | 20 | 470 | - | June 74 |
| 6. Eval of Compensatory Reading Progs | ETS | - | 215 | 949 | 1,843 | 50 | 3,057 | - | June 74 |
| 7. Five Years of Title I | AIR | - | 99 | 21 | - | - | 120 | Mar 72 | - |
| 8. Study of Use of Incentives in Ed | Turnkey & Planner | - | 451 | 96 1/ | - | - | 547 1/ | Oct 72 | - |
| 9. Process Evaluation of Bilingual | Dev. Assoc & ATM | - | - | 250 | 40 | - | 290 | Dec 73 | - |
| 10. Eval of Title I Programs for Migrants | Exotech | - | - | - | 263 | - | 263 | Jan 74 | - |
| 11. Development of Project Inf.Packages | RMC | - | - | - | 130 2/ | 145 | 275 2/ | - | June 74 |
| 12. Study of Change Agent Programs | Rand | - | - | - | 580 3/ | 45 | 625 3/ | - | July 75 |
| 13. Performance Contracting Follow-up | | - | - | - | - | 30 | 30 | - | Dec 74 |
| 14. Analysis of State Title I Reports | | - | - | - | - | 200 | 200 | - | Aug 75 |
| 15. Bilingual Impact Study | | - | - | - | - | (500) 4/ | (500) 4/ | - | Nov 76 |
| 16. Project Inf. Packages Field Test Eval. | | - | - | - | - | 200 | 200 | - | Oct 76 |
| 17. Eval. of CRA Title IV | | - | - | - | - | 200 | 200 | - | Sept 75 |
| Sub-Total | | 800 | 1,223 | 1,962 | 3,336 | 940 | 8,143 | | |

1/ plus 312k program funds
2/ plus 100k S&E funds
3/ plus 200k S&E funds
4/ funded out of Sec. 232 funds

Vocational & Adult

| | Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est. | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Project Metro (Data on Major City Voc Ed Progs) | ESRI | 332 | - | - | - | - | 332[1/] | - | June 74 |
| 2. | Voc Ed in Urban & Rural Areas | NPA | 125 | - | - | - | - | 125 | Sept 71 | - |
| 3. | Voc Ed Services to Disadvantaged & Handicapped | Koba | 99 | - | - | - | - | 99 | July 73 | - |
| 4. | Adult Ed Follow-up | Analytic Systems | 98 | - | - | - | - | 98 | Sept 71 | - |
| 5. | Cooperative vs Non-Cooperative Voc Ed | Battelle | 68 | - | - | - | - | 68 | June 73 | - |
| 6. | Study of Voc & Tech Progs Operated by Proprietary Schools | AIR | 166 | 1 | - | 2 | - | 169 | Nov 72 | - |
| 7. | Impact Study of Voc Ed Programs | NPA | - | 539 | - | - | - | 539 | Oct 72 | - |
| 8. | Longitudinal Eval of ABE Programs | SDC | - | 292 | - | 26 | 11 | 329 | Nov 73 | |
| 9. | Career Guidance, Counseling, & Placement Progs | AIR | - | - | 160 | - | - | 160 | June 73 | - |
| 10. | School Supervised Work Ed Progs | SDC & Other | - | - | 246 | 6 | 325 | 577 | Sept 73 | - |
| 11. | Voc Ed Impact Study - OPBE | ETS | - | - | - | 139 | - | 139 | - | July 74 |
| 12. | Voc Ed Impact Study - NCES Longitudinal Study | ETS & RT | - | - | 450 | 560 | 575 | 1,585 | - | June 75 |
| 13. | Evaluation of Exemplary Voc Ed Progs | Development Assoc | - | - | - | 250 | - | 250 | - | Sept 74 |
| 14. | Voc Ed for Handicapped | Olympia | - | - | - | 260 | - | 260 | - | Sept 74 |
| 15. | School Supervised Work Ed.Prog.Pt.II | | - | - | - | - | 325 | 325 | - | Nov 75 |
| 16. | Adult Ed. Spec. Prog. Study | | - | - | - | - | (250)[2/] | (250)[2/] | - | July 75 |
| | | Sub-Total | 888 | 832 | 856 | 1,243 | 1,236 | 5,055 | | |

[1/] plus 205k in FY's 68 and 69  [2/] funded from Sec. 232 funds

Higher Education

| | Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74 (Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | College Work-Study Prog | Columbia | 197 | - | - | - | - | 197 | June 73 | - |
| 2. | National Defense Student Loan Prog | ETS | 108 | - | - | - | - | 108 | - | June 74 |
| 3. | Study of Upward Bound Program | Koba | 121 | - | - | - | - | 121 | Oct 71 | - |
| 4. | Study of Developing Institutions Program | U of Cal | 133 | - | - | - | - | 133 | Apr 73 | - |
| 5. | Alternative Student Aid Progs | Mathematica | 87 | - | - | - | - | 87 | Feb 71 | - |
| 6. | Cost of College | CRA | 108 | 62 | - | - | - | 170 | Aug 72 | - |
| 7. | Research & Training Abroad | McBer | - | 97 | 10 | - | - | 107 | Cancelled | - |
| 8. | EPDA for Higher Ed Personnel | Abt | - | 255 | - | - | - | 255 | Feb 73 | - |
| 9. | Higher Ed Planning Study | NBS & WICHE | - | 78 | 30 | 47 | - | 155 | - | May 74 |
| 10. | Special Services for Disadvantaged | ETS | - | - | 347 | - | - | 347 | - | May 74 |
| 11. | Private Accrediting & Public Funding | Brookings & NAPA | - | - | 142 | - | 68 | 210 | - | June 74 |
| 12. | Higher Ed Facilities Construction | Froomkin | - | - | 132 | 61 | - | 193 | - | May 74 |
| 13. | Subsidy & Default Model for GSLP | Systems Group | - | - | - | 143 | 40 | 183 | - | June 74 |
| 14. | Borrowers & Lenders in Insured Loan Program | RMC & Misc. | - | - | - | 248 | 20 | 268 | - | Dec 74 |
| 15. | Talent Search & Upward Bound | RTI | - | - | - | 512 | 43 | 555 | - | Dec 74 |
| 16. | Study of Impact of Student Aid | | - | - | - | - | 150 | - | - | April 75 |
| 17. | Study HEA, III C Design | | - | - | - | - | 150 | - | - | Apr 76 |
| 18. | Planning Study, Comp Ed. | | - | - | - | - | 100 | - | - | Dec 74 |

Education Professions Development

|  | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74 (Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Plan to Evaluate EPDA Programs | RMC | 327 | - | - | - | - | 327 | June 71 | - |
| 2. Process Evaluation of NCIES | RMC | - | 139 | 2 | - | - | 141 | Jan 73 | - |
| 3. Impact Evaluation of NCIES | Abt | - | 457 | 9 | - | - | 466 | Jan 73 | - |
| 4. Multiunit Elementary School Models | ETS | - | 78 | - | - | - | 78 | Sept 72 | - |
| 5. Longitudinal Study of 6th Cycle Teacher Corps | CRI | - | - | 504 | 58 | - | 562 | - | Sept 74 |
| Sub-Total |  | 327 | 674 | 515 | 58 | - | 1,574 |  |  |

Handicapped

| Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. R&D Efforts for Handicapped | URS | 199 | - | - | - | - | 199 | Dec 72 | - |
| 2. Education of Inner City Handicapped | Battelle | 199 | - | 12 | - | - | 211 | Dec 72 | - |
| 3. Cost Benefit Study for Mentally Retarded | U of Mich | 28 | 34 | - | - | - | 62 | July 71 | - |
| 4. Deaf-Blind Centers | SRC | 78 | - | - | - | - | 78 | June 71 | - |
| 5. Exemplary Progs for Emotionally Disturbed | Gen Learning | 142 | - | - | - | - | 142 | Feb 73 | - |
| 6. Progs to Increase Pool of Special Ed Teachers | RMC | - | 188 | 3 | - | - | 191 | Mar 73 | - |
| 7. Aid-to-States Progs for Handicapped | Exotech | - | 191 | 8 | - | - | 199 | - | Apr 74 |
| 8. State Operated & Supported Schools for Handicapped | Exotech | - | - | 198 | 37 | - | 235 | - | Aug 74 |
| 9. Low-Income Handicapped | Exotech | - | - | - | 272 | - | 272 | Mar 74 | |
| 10. Services to Severely Handicapped | Abt | - | - | - | 269 | - | 269 | - | Oct 74 |
| Sub-Total | | 646 | 413 | 221 | 578 | - | 1,858 | | |

Libraries & Ed Technology

| | Contractor | Evaluation Funds Obligations ($000)<br>70 | <br>71 | <br>72 | <br>73 | Est.<br>74 | Total thru FY 74(Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Exemplary Public Library Reading Programs | Barss-Reitzel | 222 | - | - | - | - | 222 | July 72 | - |
| 2. Library Services & Construction Act | SDC | - | 228 | - | 12 | - | 240 | Aug 73 | - |
| 3. Eval of the Public Library | SDC | - | - | 110 | 4 | - | 114 | June 73 | - |
| 4. Rocky Mtn Demonstration in Ed Tech | Stanford | - | - | 99 | 116 | - | 215 | - | July 74 |
| 5. Ed Telecommunications Planning | Battelle | - | - | - | 53 | - | 53 | - | May 74 |
| 6. Childrens' TV | | - | - | - | - | 50 | - | - | Mar 75 |
| | Sub-Total | 222 | 228 | 209 | 185 | 50 | 899 | | |

Research and Special Projects

| | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Effectiveness of Ed Labs & Centers | AIR | 175 | - | - | - | - | 175 | Apr 73 | - |
| 2. Assessing Impact of Educational Products | AIR | 147 | - | - | - | - | 147 | Mar 72 | - |
| 3. Cost Factors in Ed R&D | RMC | 71 | - | - | - | - | 71 | Oct 71 | - |
| 4. Eval of NCEC Information Analysis Products | SDC | - | 98 | 24 | - | - | 122 | June 72 | - |
| 5. Eval of RTR Community Based Progs | Pacific T&TA | - | - | - | 99 | 241 | 340 | - | Sept 74 |
| Sub-Total | | 393 | 98 | 24 | 99 | 241 | 855 | | |

Programming Planning and Monitoring Projects by OE Bureaus

| Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | In Process/ Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Early Growth Planning Study for NCES Project "X" (NCES) | AIR | 53 | - | - | - | - | 53 | Sept 72 | |
| 2. Project Access and class of college attendance of 4 Socioeconomic Status HS Grads (BHE) | ETS | 69 | - | - | - | - | 69 | Cancelled | |
| 3. Cooperative Project Among HE Institutions and Contracting Agencies (General Funding) | WICHE | 202 | - | - | - | - | 202 | Apr 71 | |
| 4. Program Planning in Special Ed.: Regional Workshop Series (BHE) | Council for Excep. Children | 60 | - | - | - | - | 60 | July 70 | |
| 5. Study of Major Issues in Ed. Task (BLET) | Natl. Acad. of Engineering | - | 50 | - | - | - | 50 | Jan 72 | |
| 6 Study to Develop Requirement for Natl Telecom. Network (BLET) | Synergetic | - | 75 | - | - | - | 75 | Mar 72 | |
| 7. Reading Diagnostic Center (R2R) | DC Board of Ed. | - | 225 | - | - | - | 225 | June 72 | |
| 8. Planning & Eval. of OPS Objectives for Project Trend (OPM) | Thompson, Levin | - | 50 | - | - | - | 50 | Dec 71 | |
| 9. Project Trend (OPM) | Akron Pub. Sch. | - | 109 | - | - | - | 109 | June 72 | |
| 10. Operat-onal Planning Models for CCD (NCES) | Mathematica | - | - | 126 | - | - | 126 | Dec 72 | |
| 11. Misc. Right to Read Plan.& Eval. Projects (RTR) | Misc. | - | - | 475 | - | - | 475 | June | |
| 12. Misc. Projects Less than $50,000 (Bureaus) | Misc. | 230 | 38 | 99 | 71 | - | 367 | | |
| Sub-Total | | 614 | 547 | 700 | 71 | - | 1,932 | | |

Projects by Assistant Secretary for Planning & Evaluation

| | Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | In Process/ Expected Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Design and Test of Program Review Info. Framework for Fed Ed Progs for Migrants | Consulting Serv. Corp. | 183 | 33 | - | - | - | 216 | June 71 | |
| 2. | Review of Component Models of Community Operated Ed. Facilities | Inst. for Adv.of Urban Ed. | 150 | - | - | - | - | 150 | Aug 71 | |
| 3. | Study of Drug Abuse Info. & Ed Progs Administered by OE & Health Agencies | Macro Systems | - | 100 | - | - | - | 100 | June 72 | |
| 4. | Study of School Eval. Handbook for Parents | United Bronx Parents | - | 95 | - | - | - | 95 | Feb 72 | |
| 5. | Cost Benefit Analysis of Disadvantaged Child Development | Huron Inst. | - | 125 | - | - | - | 125 | June 72 | |
| 6. | Analysis of Sch. Desegregation | Lambda | - | 180 | - | - | - | 180 | Sept 71 | |
| 7. | Study of Desegregation & Decentralization Alternatives for Los Angeles | Rand | - | 59 | - | - | - | 59 | Aug 71 | |
| 8. | Study of HS & Adolescent Ed | Martin | - | - | 135 | 60 | - | 195 | Aug 73 | |
| 9. | Monitoring of Title I Comparability Guidelines | Lambda | - | - | - | 119 | 24 | 119 | | Dec 74 |
| 10. | Design of Assessment of Occupational Progs in Metro Area | ORI | 50 | 28 | - | - | - | 78 | Dec 70 | |
| 11. | Comparison of Voc.Ed. Progs to 5 Manpowe progs examined in OEO Study | ORI | 194 | - | - | - | - | 194 | Aug 71 | |
| 12. | Cost-Funding Principles applicable to activities conducted by Higher Ed. Institutions | WICHE | 148 | - | - | - | - | 148 | June 71 | |
| 13. | Administrative Support for Task Force On Higher Ed. | Stanford | - | - | 50 | 49 | - | 99 | Nov 72 | |
| 14. | Hypothetical Projection of Institutional Finances | Fromkin | - | - | 57 | - | - | 57 | Nov 72 | |

| | Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74(Est.) | Completed | In Process/ Expected Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 15. | Case Study in Contingent Repayment Forms | Yale | - | - | 50 | - | - | 50 | May 73 | |
| 16. | Assessment of Innovation in Higher Ed. | U of Cal. | - | - | - | 146 | - | 146 | Dec 74 | |
| 17. | Eval of Selected Teacher Train. Progs. | AIR | 199 | - | - | - | - | 199 | Cancelled | |
| 18. | Incentives for Structural Reform in Higher Ed. | Inner City Fund | - | 76 | - | - | - | 76 | Feb 72 | |
| 19. | Standardized Eval of Achievment of Equivalent Credentials & Higher Ed | Univ of Edinburgh | - | 100 | - | - | - | 100 | June 72 | |
| 20. | Cost Effectiveness Study of Ed for the Handicapped | Rand | - | - | 415 | - | - | 415 | Nov 74 | |
| 21. | Eval of Market for Investment TV Progs in Secondary Ed. | Mathematica | - | - | - | 54 | - | 54 | Dec 74 | |
| 22. | Prog Eval by Summer Interns - 70 | BLT | 378 | 41 | - | - | - | 419 | Dec 70 | |
| 23. | Analysis Groups on Social Planning | Carnegie-Mellon | 127 | - | - | - | - | 127 | Sept 71 | |
| 24. | Design for Survey to Assess Barriers to Participation of Women in Continuing Ed. | ETS | - | 126 | - | - | - | 126 | June 73 | |
| 25. | Alternative Implication of Spec. Rev. Sharing in Ed. | NPA | - | 59 | 163 | 70 | 0 | 292 | May 31 | |
| 26. | Prog Eval by Summer Interns - 71 | Misc. | - | 200 | - | - | - | 200 | Sept 72 | |
| 27. | Interuniversity Analysis Group on Prog. Eval. | Georgetown U | - | 132 | - | - | - | 132 | June 72 | |
| 28. | Field Study of Drug Use and Youth Cult. | Number 9, Inc. | - | - | 53 | - | - | 53 | Dec 73 | |
| 29. | Settling-Out Progs for Migrant Farm Workers | Dev. Assoc. | - | - | 130 | - | - | 130 | June 73 | |

| | Title | Contractor | Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74 (Est.) | Completed | In Process/ Expected Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| 30. | Support of Region X Manpower Planning | Urban Mgt Consultant | - | - | 56 | - | - | 53 | July 74 | |
| 31. | Model Urban Indian Center Project | OEO | - | - | 95 | - | - | 95 | Dec 73 | |
| 32. | Alternative Ways to Increase Citizen Participation | Rand | - | - | 52 | - | - | 52 | Nov 73 | |
| 33. | Eval of Selected Component of OE's Help Communities Help Themselves Prog | Gen. Research Corp. | - | - | - | 50 | - | 50 | | |
| 34. | Region X Human Resources Planning | HUD | - | - | - | 113 | - | 113 | July 75 | |
| 35. | Cross Cutting Eval Projects | Misc. | - | - | - | 250 | - | 250 | July 74 | |
| 36. | Misc. Projects Less than $50,000 | Misc. | 35 | 320 | 648 | 244 | 161 | 1,247 | July 74 | |
| 37. | Extension of FY 73 Title I Evals | | - | - | - | - | 50 | - | | |
| 38. | Enrollment Effects of Tuition Differentials | | - | - | - | - | 25 | - | | Feb 75 |
| 39. | NewGate Evaluation | | - | - | - | - | 35 1/ | - | | June 75 |
| 40. | Update of Title I Census Data | | - | - | - | - | 50 | - | | |
| 41. | Analysis of Title I Comparability Reports | | - | - | - | - | 55 | - | | July 75 |
| 42. | Study of Demand for Post Graduate Training to Acquire Entry Level Job Skills | | - | - | - | - | 50 | | | Jan 75 |
| 43. | Advantages and Disadvantages of Student Loans for Women | | - | - | - | - | 50 | | | Feb 75 |

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1/ Sec. 232 funds

| Title | Contractor | Evaluation Funds Obligations ($000) |  |  |  | Est. | Total thru | Completed | In Process/ Expected |
|---|---|---|---|---|---|---|---|---|---|
|  |  | 70 | 71 | 72 | 73 | 74 | FY 74 (Est.) |  | Completion |
| 44. Status and Resources of Self-Supporting Students |  | - | - | - | - | 50 | - |  | Nov 74 |
| 45. Study of the Oversupply of College Places |  | - | - | - | - | 50 | - |  | Dec 74 |
| 46. Feasibility Study for a Census of the School-Aged Handicapped |  | - | - | - | - | 50 | - |  | Jan 75 |
| 47. Study of State Compensatory Education Programs 2/ |  | - | - | - | - | 50 | - |  | uncertain 2/ |
| 48. Simulation and Analysis of New Allocation Formulas for Title I, ESEA 2/ |  | - | - | - | - | 50 | - |  | uncertain 2/ |
| 49. Educational Significance of Tracking in Public Schools 2/ |  | - | - | - | - | 50 | - |  | uncertain 2/ |
| 50. Feasibility & Study Design for Eval of Neglected & Delinquent Title I Prog |  | - | - | - | - | 50 1/ | - |  | (March 75) |
| 51. Study of Overlapping Activities in BEH and OCD |  | - | - | - | - | 50 | - |  | Feb 75 |
| 52. Distribution of Office of Education Discretionary Funds |  | - | - | - | - | 30 | - |  | March 75 |
| 53. Impact of Voc. Ed. On Indians |  | - | - | - | - | 25 | - |  | March 75 |
| Sub-Total |  | 1,464 | 1,674 | 1,904 | 1,155 | 790 | 6,987 |  |  |

1/ Section 232 funds 2/ To be revised

Miscellaneous

| | OE Evaluation Funds Obligations ($000) | | | | | |
|---|---|---|---|---|---|---|
| | 70 | 71 | 72 | 73 | Est. 74 | Total thru FY 74 (Est.) |
| 1. Presidents Commission on School Finance | 10 | 1,635 | 400 | - | - | 2,045 |
| 2. Presidents Commission on Campus Unrest | 10 | 343 | - | - | - | 353 |
| 3. School Finance Task Force | - | - | 29 | 225 | 75 | 329 |
| 4. Joint Federal State Task Force on Eval. & Data Collection (Belmont | 2,114 | 2,132 | 1,968 | 840 | - | 7,054 |
| 5. Education Policy Research Centers | 45 | 900 | 9 | 950 | 475 | 3,291 |
| 6. Planning for NIE | 74 | 349 | 1,000 | - | - | 1,423 |
| 7. Title I Task Force | 564 | - | - | - | - | 564 |
| 8. Miscellaneous Contracts under $50,000 (OPBE) | 492 | 419 | 127 | 215 | 577 | 1,253 |
| 9. Consultants & Computer Time (OPBE) | 95 | 516 | 728 | 239 | 250 | 1,828 |
| Sub-Total | 3,404 | 6,294 | 5,173 | 2,469 | 1,377 | 16,917 |
| TOTAL | 9,512 | 12,475 | 12,225 | 10,205 | 5,205 | 49.622 |

Emergency School Assistance Program and Emergency School Aid Act
Projects funded from set-aside of program funds

| Title | Contractor | ESAP/ESAA Evaluation Funds Obligations ($000) 70 | 71 | 72 | 73 | 74(Est) | Total thru FY 74 (Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| 1. Evaluation of ESAP | RMC | - | 887 | - | - | - | 887 | Sept 71 | - |
| 2. Existing Knowledge on School Desegregation | Systemetrics | - | 156 | - | - | - | 156 | Sept 71 | - |
| 3. Eval of ESAP Community Group Projects | Kirschner | - | 154 | - | - | - | 154 | Jan 73 | - |
| 4. Relationship bet Desegregation & Achievement | AIR | - | 55[1] | - | - | - | 55[1] | Cancelled | - |
| 5. ESAP-II School District Program Eval | NORC | - | - | 772 | - | - | 772 | Oct 73 | - |
| 6. ESAP-II Community Grant Program Eval | CRI | - | - | 100 | - | - | 100 | Cancelled | - |
| 7. Exemplary Desegregated Schools Study | ETS | - | - | - | 998 | - | 998 | - | Nov 75 |
| 8. ESAA Pilot Evaluation | SDC | - | - | - | 932[2] | 995 | 1,927[2] | - | Jan 76 |
| 9. ESAA Basic LEA Evaluation | SDC | - | - | - | 1,348[3] | 1,494 | 2,842[3] | - | Jan 76 |
| 10. Desegregation in Urban Areas (ASPE Study) | Lambda | - | 116 | 130 | - | - | 246 | Mar 72 | - |
| Sub-Total | | | 1,368 | 1,002 | 3,278 | 2,489 | 8,137 | | |

[1] Expenditure was 25k
[2] plus 50k regular P&E funds
[3] plus 22k S&E funds

**MDTA**

Funding from Department of Labor funds

| Title | Contractor | MDTA Funds Obligations ($000) | | | | Est. | Total thru FY 74(Est.) | Completed | Expected Completion |
|---|---|---|---|---|---|---|---|---|---|
| | | 70 | 71 | 72 | 73 | 74 | | | |
| 1. Eval of MDTA Institutional Training | North Amer Rockwell | - | 185 | 8 | - | - | 193 | Jan 73 | - |
| 2. MDTA Training & Employment for Women | Mark Battele | - | - | - | 174 | - | 174 | | Feb 74 |
| Sub-Total | | | 185 | 8 | 174 | - | 367 | | |

## Contractor Abbreviations

| | | |
|---|---|---|
| AIR | - | American Institute for Research |
| NBS | - | National Bureau of Stands |
| ETS | - | Educational Testing Service |
| DA | - | Development Associates, Inc. |
| ATM | - | A Total Media Corp. |
| RMC | - | Resources Management Corp. |
| ESRI | - | Educational Systems Research Institute |
| NPA | - | National Planning Association |
| SDC | - | Systems Development Corporation |
| RTI | - | Research Triangle Institute |
| CRA | - | Columbia Research Associates |
| WICHE | - | Western Interstate Committee on Higher Education |
| NAPA | - | National Academy for Public Administration |
| CRI | - | Contemporary Research, Incorporated |
| SRC | - | Surveys and Research Corp. |
| PT & TA | - | Pacific Training and Technical Assistance |
| NORC | - | National Opinion Research Corp. |

Dr. EVANS. The other point I would like to make, if I may, is that the impression on the part of the committee and others that there have been vast sums spent on the evaluation of educational programs simply is not correct. The first evaluation appropriation for education funds came in fiscal year 1970. There were no designated evaluation funds prior to that time, and since that time the annual rate has been less than one-fifth of 1 percent of funds with respect to the total appropriation.

Mr. FLOOD. Apparently that slap on the wrist did some good anyhow. After all, $50 million over a 5-year period may not be much money to HEW, but to most of us, it is a huge sum. You simply must show some results from this investment.

### REORGANIZATION AND DECENTRALIZATION

Doctor, what is the present situation regarding your plans for reorganization, reorganizing, and decentralizing—that seems to be the "in" term—decentralizing the Office of Education? I know you can spend all morning on that.

Dr. OTTINA. I believe I can be very short. Those are two questions.

On the first, reorganizing, we have no plans other than one that we have, I believe, already discussed with you, which is the elevation of the Bureau of the Handicapped at the same level as the other organizations. We believe that is consistent with the intent of the law.

On decentralization, we are still working within HEW on the plan which we have provided to your committee and other committees. We have not yet reached final accord within HEW as to what should be decentralized.

We have a clear understanding from the Congress that this committee, among others, should be acquainted with our plans before they are implemented. We will do so.

The 1975 budget does not contain any specific amounts of dollars to decentralize. If dollars would be required to implement such a plan, then we would certainly come to this committee and discuss those matters with you.

### ASSISTANT SECRETARY FOR EDUCATION

Mr. FLOOD. Along that line, not on the dollars, the position of the Assistant Secretary for Education has been vacant since last October. We have always had the impression here that the person in this position, and we watched it, is to take the lead in developing Federal policy. That is the job, to develop Federal policy in the whole field of education. That is what we thought. It has been vacant down there since October.

If all these things are so, then how have you been able to function without policy guidance from the Assistant Secretary for Education? You are quite a guy.

Dr. OTTINA. That is quite a question, Mr. Chairman.

Mr. FLOOD. That is why I asked it. That is what we were told. This is what we were given to understand. So what?

Dr. OTTINA. The position has been vacant since about the 1st of November. Dr. Marland left, I believe, on either the 2d or 3d. There has been an Acting Assistant Secretary of Education during this period, but I think that, Mr. Chairman, this committee recognizes that the Commissioner of Education has vested in him a great deal of responsibility by law and that by law and by function there is a great deal of policy that has always been developed by the Office of Education and has been given through the Commissioner to HEW or the Assistant Secretary in recent times. The Office of Education is still in the process of developing policy for recommendations because it is the agency which administers most of the education law that we are talking about and finds itself in the very real position of observing what works and what doesn't work and in a very excellent position to recommend, therefore, changes and modifications.

### COMMITTEE INVESTIGATIVE REPORTS

Mr. FLOOD. Last year the Surveys and Investigations Staff of the full Committee on Appropriations made two studies relating to the activities of the Office of Education. You know about that and copies have been made available to you. I am going to ask some questions about these studies. I will insert the first of these reports, dealing with management of grants and contracts, at this point in the record.

[The information follows:]

## A REPORT ON THE AWARDING OF CONTRACTS AND GRANTS BY THE U.S. OFFICE OF EDUCATION

### I. INTRODUCTION

#### *A. Directive*

By directive dated May 28, 1973, the committee requested that a study be made of the procedures followed by the U.S. Office of Education in the awarding of grants and contracts. Particular emphasis was to be directed toward the circumstances surrounding the backdating of certain grant and contract documents which were awarded after the close of fiscal year 1972.

#### *B. Scope of inquiry*

The information requested by the committee's directive was developed by the investigative staff through a review of selected legislative acts and pertinent regulations of the Office of Education, OE, and interviews with officials of the OE, State educational agencies, SEA's, and recipients of grants and contracts. In addition to briefings conducted for the investigative staff at the Washington headquarters of the OE, visits were made to 8 of the 10 regional offices of the Department of Health, Education, and Welfare, DHEW. Also, in nine States the components of State governments having statewide jurisdiction for education were visited.

Interviews were conducted by the investigative staff with officials of the OE and DHEW, including the Commissioner of Education, his deputies, and bureau and division chiefs. An extensive number of interviews were held with recipients of contracts and grants. These included colleges and universities, local education agencies, LEA's, and nonprofit organizations. In addition, officials of the DHEW audit agency were interviewed.

This study was limited to the administrative policies and procedures involved in the contract and grant awards, and no attempt was made to evaluate any of the educational programs on their individual merit or the accomplishment of objectives established by legislation. In addition, because of the rather limited flexibility exercised by the OE in the formal grant programs, the investigative staff concentrated almost exclusively in the discretionary contracts and grants area. In this report, the term "contract" refers to assistance contracts rather than procurement contracts.

### *C. Background*

Through the years, the OE has functioned primarily as a centralized operation in the award of contracts and grants. In more recent times, the administration has sought to decentralize the functional operations of all departments. However, the OE has not followed that concept at the rate that is evident in many other agencies. As of the end of fiscal year 1973, only the following programs had been fully decentralized to the regional offices:

Public libraries: services—grants for public libraries; interlibrary cooperation; and construction.

Higher education: special programs for the disadvantaged, TRIO—talent search; special services in college; and upward bound.

Occupational, vocational, and adult education: grants to States for vocational education—basic vocational educational program; programs for students with special needs; consumer and housemaking education; work study; and cooperative education.

There are other programs in which a partial degree of decentralization has occurred, but the majority of the more than 100 educational programs—as listed in the Catalog of Federal Education Assistance Programs, 1972—remain under the operational control of the headquarters of the OE. The investigative staff learned that plans have been formulated for further decentralization of many OE programs, especially those involved with formula contracts and grants.

The OE received total appropriations of approximately $5.6 billion for fiscal year 1973. Of this amount, approximately $5.55 billion was obligated for contracts and grants as follows:

| | Number awarded | Amount (thousands) |
|---|---|---|
| Grants: | | |
| Formula | [1] 6,402 | $4,608,172 |
| Discretionary | 10,640 | 896,724 |
| Contracts: | | |
| Formula | 0 | 0 |
| Discretionary | 655 | 44,900 |
| Total | 17,697 | 5,549,796 |

[1] Considerably more individual actions were involved because funds had to be obligated in phases under continuing resolutions. Thus, 1 grant may have required several award actions. In addition, loans to individual students are not reflected in this total.

Small-scale reorganizations within the OE appear to happen fairly regularly. However, an organizational move in response to one of the matters toward which this study was directed was the centralization of the business aspects of contract and discretionary grant functions into a single division serving all components of the OE.

## II. OBSERVATIONS OF THE INVESTIGATIVE STAFF

The investigative staff believes the present procedures for the award of contracts and grants by the OE are almost void of management control when viewed on an agencywide basis. It seems abundantly clear that officials of the OE have failed to develop and implement a comprehensive management plan commensurate with its overall mission to carry out the mandates of Congress in awarding appropriated funds on a discretionary basis. As a result, a pattern of inconsistent approaches, independent actions, and internal confusion predominates the operations of the bureaus and divisions of the OE.

Internal attempts to evaluate the OE management are very often nonproductive because management tends to react to functional and administrative problems, rather than to seek to establish an overall management system. Although management, over the years, has been able to identify general and specific problem areas, the problems in whole or in part continue to exist today as they did previously. The lack of continuity in management practices from program to program, the inability of management to identify deficiencies in the processing and tracking systems, the fragmentation of authorities and responsibilities, and the continual recurrence of the same problem areas are factors contributing to a system of undisciplined management.

There are a number of procedural constraints that impact on the processing of applications. Recipients complained of the lack of a systematic method for notifying prospective applicants of opportunities and a lack of clear program guidelines. Also, there is a general unavailability of detailed technical assistance. Questionable selection practices, including the possible "stacking" of evaluations and little or no OE input to the actual selections, were cited to the investigative staff. Frequently, notification of awards was slow in getting to recipients, and there was a general lack of coordination in the notification and documentation of awards. State departments of education usually did not learn of awards to recipients in the State, thus creating difficulty in coordination and effective planning.

The monitoring, evaluation, and reporting practices used by the OE in the management of contract and grant programs are less than adequate to enable the program officers to make determinations as to whether the Government has received full value for the funds awarded to the contractors and grantees for educational projects. In most instances the OE program officers rely upon evaluation of projects by the contractors and grantees and do not make onsite visits to obtain personal knowledge of the effectiveness of the projects.

It is the opinion of the investigative staff that the OE should make every effort to effect closer supervision of contractors and grantees as part of an improvement in the overall management procedures. This is especially necessary since disbursements of funds are, in most cases, automatic and not the result of an assurance that the milestones or reports required under the terms of the contracts and grants have been accomplished. Also noted by the investigative staff is the fact that many contract and grant projects have not been subjected to audit, which is indicative of poor management.

Another adverse reflection upon the OE management of contracts and grants is that approximately 19,000 contract and grant files—6,000 of which have been lost—in headquarters and the regional offices have not been closed out even though the projects for which the awards were made have been completed. Until these closeouts are accomplished, the OE will not be fully cognizant as to whether the contractor or grantee has fully complied with the terms of its award.

The inability of top management to properly analyze and assess the overall workload within the OE and to recognize the seriousness of the conflicts in its internal functions, among other factors, caused the OE to award more than $55 million in fiscal year 1972 funds in contracts and grants after the close of the fiscal year. This backdating violated Federal law as well as DHEW and OE contracting, grants, and accounting requirements. Contributing to this backdating was the fact that the procedures utilized by the OE in planning its fiscal year 1972 activities were ineffective because they failed to coordinate the number of work actions with the progress of funds being obilgated. In addition, there is a prevailing attitude among the majority of program personnel within the OE that priorities should be placed on educational programs without concern for financial accountability in the execution of those programs. In fiscal year 1972, the role of the contracting officer was confused and caused several contracts and grants to be issued outside the jurisdiction of the contracts and grants division.

Measures effected to improve the administration of award procedures, primarily as a consequence of the fiscal year 1972 backdating situation, have been forward steps for management to some degree. There is now a greater recognition of the business aspects of discretionary award procedures within the OE, and increased attention to business practices will undoubtedly work short-range improvements. However, when viewed simply as reactions to crises and in light of long-range objectives, they are considered costly responses to a lack of overall system and inconclusive as to future potential.

### III. MANAGEMENT ATTITUDES

The investigative staff's interviews with grantees, State educational agencies (SEA's) and local educational agencies (LEA's) representatives, and OE officials indicate that, despite a history of continual and even repetitive recognition of general and specific problem areas, complaints of the same problems, in whole or in part, continue to exist today as in the past. A lack of continuity in management practices from program to program, the failure of the project grant information system (PGIS) and resulting inability of top management to identify deficiencies in the processing and tracking systems, fragmentation of authorities and responsibilities as a consequence of regionalization efforts, and a track record indicative of corrective actions being a series of reactions to crises rather than in anticipation of problem areas all combine to give the impression that the administrative procedures are, at best, an example of undisciplined management.

The current U.S. Commissioner of Education, while serving as Deputy Commissioner for Management in April 1971, described the OE contract and discretionary grant operation as fragmented and lacking effective management. This observation, based upon numerous examples of poor contract and grant management practices cited in audit reports of the General Accounting Office and DHEW, by Members of Congress, by the DHEW procurement management staff, and by concerned OE staff members, further identified specific problem areas as (a) a lack of procurement leadtime, (b) inadequate work scopes, (c) lack of competition for awards, (d) fragmentation of contract/grant issuance activity, and (e) inefficient contract/grant administration. Subsequently, on June 15, 1971, the then deputy commissioner issued a fiscal year 1972 management objective to improve contract and grant management within the OE and delineated a series of steps to be completed by the end of fiscal year 1972 "to establish in OE a total system of effective contract and grant management based upon sound principles of program and business management." Again recognizing that authority and responsibility for contract and discretionary grant award administration were fragmented throughout the program bureaus, the main thrust of the program was to centralize such authority and responsibility using the PGIS as the management vehicle for improvement.

### *A. Management philosophy, policies, and practices*

An OE official advised the investigative staff that program management practices are steeped in the philosophical view that "if it's good for education, it's good for OE," regardless of whether or not sound business practices are maintained. He attributed the development of this philosophy to the continual ingress and egress within the OE of educators, many of whom are not schooled in basic Federal procurement activities, and the large degree of independence enjoyed by the individual program offices. Attempts to effect necessary management reforms were, and continue to be, confronted by this problem of "turfmanship" or past precedents that enable program bureau personnel "to operate in their own unique style with their own unique procedures."

Another OE official, when informed that this lack of continuity from program to program and bureau to bureau was cited as the primary administrative weakness and the most frustrating experience of potential applicants interviewed by the investigative staff, acknowledged the validity of the complaint and expressed the opinion that, in essence, it is a problem of attitude. He said this lack of consistency in application of management practices and award procedures, evident when he came on board almost 3 years ago, was a consequence of the philosophy of program bureau independence. He related that, as a result of the fiscal year 1972 backdating situation, certain reforms have been initiated that are indicative of a desire to correct poor management practices, the implementation of which will improve management procedures. However, he expressed doubt as to the extent of support for the reform measures by the deputy commmissioners, noting that even at present "hypocrisy," "end runs," and "pick and choose" methods are employed by program managers as well as some higher OE officials. He noted these methods have involved "shopping around" for a favorable opinion on an award action or promulgation of a particular guideline and/or regulation, and indicated such tactics included seeking the Commissioner's approval for an action without informing him of a previous unfavorable ruling by the general counsel or simply ignoring the adverse opinion.

The inference gained from these comments and observations is that management reforms, to be effective, must be accompanied by a definitive management philosophy and a corresponding change in management attitudes, practices, and policies to conform to such a philosophy. Yet, it is difficult to assess precisely what the management philosophy is as concerns contract and grant award procedures. It would appear that the overriding objective is to completely disburse all available funds, with only secondary consideration given to sound business and financial practices that would insure Federal moneys are being invested wisely. In essence, with the absence of any long-range management plan, it is the opinion of the investigative staff that current OE management practices are an exercise in the uncoordinated use of resources.

### *B. Project grant information system (PGIS)*

As previously noted, PGIS was identified by the present U.S. Commissioner of Education in mid-1971 as the management vehicle to effect improvement in the administration of contracts and grants by the end of fiscal year 1972. The Secretary of DHEW, as recently as March 19, 1973, noted that "a central management structure which can track applications, foresee and correct processing difficulties, and derive management information is absolutely essential." He directed the Assistant Secretary for Education, in light of the fiscal year 1972 backdating situation, to initiate a review of the management systems within the Education Division to insure that they are capable of actually managing the processes therein, and to effect any necessary changes. He also directed that a review be made of the management information systems utilized in that division to insure that they meet the needs of proposal tracking and management, and to take action to redesign or modify such systems if found to be lacking the necessary capability.

In view of the initial confidence that this automated data processing (ADP) system could afford top management an effective tool for overseeing the proposal processing and tracking systems and the current concern as to its effectiveness, the investigative staff reviewed the historical development, current status, and potential of the system.

#### *1. Historical development*

PGIS was an outgrowth of another ADP system, the bureau of research information and control system (BRICS), which was developed by OE's former bureau of research to keep track of its voluminous research proposals. BRICS was designed and implemented as a tool for maintaining an inventory of all research proposals and awards. It soon became apparent that similar control was needed over all contract and grant proposals and awards, and thus the concept of PGIS evolved.

Approximately 4 years ago, a query of OE program and management personnel led to the development of specifications by a contractor for the first set of work statements for PGIS. A $77,000 feasibility study for PGIS determined that $250,000 would be required for the development and implementation of the system. An OE staff member described the original work statements as "horrendous" because the contractor-generated specifications were much too extensive. The contractor, in attempting to accommodate the wishes of each and every potential user, effected changes in work statements that resulted in large-scale cost escalations and led to a system that was far too sophisticated to be initiated. In addition to the lack of validity and reliability of the input data, there was no in-house coordinator to determine what would be needed to feed, support, and use the system.

About June 1972, following the submission of new specifications by the contractor, a semblance of a system became operational in some bureaus of the OE, although it was by no means funcitional. A monstrous system existed, but nobody really knew how to control monitor, or use it. Data input by program personnel required the use of some 87 input forms, which proved to be far too extensive and cumbersome. Subsequently, a decision was made to reevaluate and streamline the system, and the number of input forms was reduced from 87 to 40. PGIS was revised downward in scope to serve only as a data base, or historical record, of those contracts and grants awarded, and was designated PGIS I. December 1972 was selected as the target date for completion of PGIS II, a refined system that would have provided a capability to track award actions from receipt of a proposal at a centralized location to closeout, and the period February–June 1973 was proposed for testing the system. However, in November 1972, the contractor requested a $500,000 extension to complete the system. Action on this request was delayed until February 1973, and at that time a decision was made to allocate $249,000 for completion of PGIS II, scheduled for June 1, 1973. The contractor was then advised that no additional funds would be forthcoming unless the system was straightened out, and it was stipulated that all 49 program subsystems would have to be documented by June 1, 1973. The investigative staff was advised that this meeting between OE representatives and the contractor, which occurred on February 14, 1973, was the first time in the developmental process that the OE stated precisely to the contractor what was expected for the contract price.

*2. Current Status*

Concerning the management information system's current status, OE representatives emphasized that the PGIS I and PGIS II are two separate and distinct computer systems. PGIS I serves only the Contracts and Grants Division of the Office of Business Management, whereas PGIS II will serve all OE management. The PGIS I system was operational in fiscal year 1973 and will continue to be utilized in fiscal year 1974 only to record those contracts and grants that have been awarded; however, the fiscal year 1973 accumulation of awards has not been completed because all data have not been received from the regional offices. As of September 1, 1973, documentation of the PGIS II system was found to be inadequate because of known defects in the documentation of subsystems. Thus, parallel testing of PGIS II cannot begin and the system will not be used in fiscal year 1974 for proposal tracking and management. In lieu of PGIS II, a manual operation similar to the one used in fiscal year 1973 has been initiated to provide a limited tracking capability for proposal processing.

The investigative staff pointed out to OE representatives that there still does not exist within the agency an ADP capability to pull together data at one central point from the various component units. These officials agreed with that observation and further acknowledged that they are still trying to decide what the best management information system is for the OE in fiscal year 1974, and succeeding years. Doubts were expressed by them as to the basic design of PGIS, and whether operating costs will be acceptable even if the system proves functional. When queried about cost outlays to date, they acknowledged that approximately $2.2 million has already been expended for a system having an original cost estimate of $250,000. These officials admitted that the OE "bought a pig in a poke," and identified a series of deficiencies in performance by both the OE and the contractor as follows:

(*a*) The original cost estimates that they have been able to track down—$250,000 plus the $77,000 feasibility study—indicate the responsible OE personnel did not examine them very carefully. The design of the system was too all-encompassing and did not take into consideration need and cost factors. There are no documents available indicative of full dollar and manpower ramifications for implementation of the original system.

(*b*) The contractor failed to deliver a workable system—the one developed has great capability but is not functional unless masses of clerical personnel are utilized to handle input data. The PGIS I system, as it now stands, would require a large staff to track all contract and grant actions; however, no studies were made to determine feasibility, effectiveness, and cost benefit of streamlining the PGIS I system.

(*c*) Approximately $510,000 has been expended toward the PGIS II design, but OE officials cannot document what they received for it.

(*d*) There never was a hard-nosed PGIS director to follow the system through, and personnel were continually entering and leaving the project as well as simultaneously working on implementation of other ADP systems. The opinion was expressed that possibly the OE embarked upon too many ADP systems at the same time, and operational breakdowns by the commonly shared DHEW computer further contributed to time losses.

In summary, the overriding deficiencies in the development of the systems were the lack of continuity of management and lack of tight specifications in the contract at the outset.

The investigative staff noted that, after expending almost $2.2 million, the OE does not know if its management information system is really an improvement over the capability that existed prior to the PGIS feasibility study. The OE representatives interviewed replied that they have gained experience and identified problems but admitted they cannot confidently state the system will provide what is needed and desired. They indicated the main problem is that no one knows how much it will cost to operate PGIS II. They are optimistic, and feel the probability is good that the system will work, but acknowledged that the unknown cost factor may be prohibitive. They related that several options exist relative to the future of the system, most of which center around its retention in current or modified form, but acknowledged that economics could dictate that it be scrapped in its entirety.

### C. Fragmentation of authorities and responsibilities

Management of contract and grant award procedures is further complicated by regionalization efforts in that some programs have been fully regionalized, while others are administered wholly or in part from the headquarters in Washington, D.C. Applicants and award recipients advised the investigative staff that such fragmentation of administrative authorities and responsibilities is a source of confusion as to their own administrative needs and requirements. Generally speaking, they were of the opinion that OE programs should either be wholly regionalized or completely centralized because partially regionalized programs, that is, those programs for which administrative responsibilities rest with the regional office and decisionmaking authority is retained in Washington, D.C., only serve to create another level of bureaucracy through, around, or over which they must maintain lines of communication. Numerous grantees have complained that, with the notable exception of the special programs for the disadvantaged, the OE regional offices are unable to provide decisive answers to their clients; and it is necessary to bypass regional office personnel and seek policy decisions directly from the responsible program personnel in Washington, D.C. However, it was also noted that, unless a client is acquainted with the responsible program officer at the headquarters, dealings with Washington, D.C. staff personnel can involve contact with three or four levels of management before a decision is rendered. The latter observation was further expounded by representatives of the SEA's, who offered the opinion that continual reorganizations within the OE structure itself, coupled with a lack of continuity in staff and an annual change in directions via program guidelines, contribute greatly to management inefficiency.

The general consensus of regional office personnel expressed to the investigative staff is that programs serving common clients should be compacted, either on a regionalized or a centralized basis, but should not continue in the present fragmented manner. For the most part, they favored further regionalization efforts only if necessary authorities accompany the program responsibilities. They acknowledged that grantees or clients experience confusion in trying to operate both regionalized and centralized programs. They further observed that coordination of the funding cycle, a requirement of effective management, is not possible when clients have both centralized and regionalized programs, each operating under differing funding cycles. A regional commissioner of education commented there is a definite need for uniformity in the delegation of authorities from the OE headquarters to the regional offices. He pointed out that when some of the present regional office authorities were delegated, the regional offices and headquarters were operating under different organizational structures. As new programs were regionalized and new authorities delegated to the regional offices, they were not in uniformity with those already regionalized, and this created administrative confusion.

Compounding the fragmentation issue, and certainly not conducive to an efficient management operation, is the fact that the OE uses 2 methods of disbursing funds for its programs, for example, (1) direct payment by U.S. Treasury check, and (2) the letter of credit financing system; however, there are various ways of administering the disbursement of the funds.

Payments may be made through either the OE or the National Institutes of Health (NIH), which has been designated as the point for consolidated DHEW-wide disbursements to colleges and universities. The NIH issues letters of credit to institutions having awards totaling $250,000 or more in the aggregate, and makes direct payments to those having less than $250,000 in awards. The institutions deal directly with the NIH for payments.

The OE headquarters uses letters of credit and direct payments, and the regional offices make direct payments. The OE letter of credit is used to finance all formula grants to SEA's and LEA's, with a given amount of money being made available each month.

### D. Recurring problem areas despite corrective actions

An OE staff member advised the investigative staff that it would not be entirely incorrect to say "management in the OE has been a series of reactions to crises rather than to effect an overall management objective." It should be noted, however, that OE applicants and award recipients almost unanimously acknowledged the seemingly insurmountable problems confronting management of educational programs. They cited the multiplicity of programs and related legislative authorities, personnel ceiling, late appropriations and/or the lack of forward funding, impoundments, operating under continuing resolutions, and constant changing of philosophies, direction, and goals at the top management level as examples of continuing obstructions to efficient operations. However, the continuing existence of current operating problems, for example, inadequate leadtime for proposal development, late issuance of proposed guidelines, that are frequently unclear and subject to change, questionable award competition, and fragmentation of responsibilities and authorities, is indicative of bare minimum corrective actions that traditionally fail to aggressively address themselves to these recurring problems.

Acknowledging that while late appropriations contribute to inadequate leadtime, both in the proposal development state and the processing cycle, it is the opinion of the investigative staff that the contract and grant preaward processes are further complicated by delays that may be traced to attitudinal, organizational, and system constraints. It is felt that program bureaus operating under continuing resolutions tend to defer decisions that could be made prior to receipt of funding authorizations and that few attempts are made to process actions in anticipation of the funding.

Management reforms, for the most part, are initiated as a consequence of adverse experiences such as the fiscal year 1972 backdating situation. These measures generally take the form of a schedule for submission of program decisions in the processing of contract and grant applications with maximum deadline dates established to insure adherence to the schedule; however, noticeably absent are efforts to alleviate the plight of the agency's clients and the imposition of strong internal administrative sanctions upon staff personnel who fail to meet milestones. One OE representative advised the investigative staff that, following the fiscal year 1972 backdating situation and the subsequent development of an fiscal year 1973 workload processing schedule, program officers were told "their travel funds would be withheld" if they failed to meet established deadlines. Apparently, this was the primary sanction.

In summary, it is felt that management reform measures in the processing cycle have been shortsighted reactions to crises rather than a result of long-range management planning. As was the case in 1971, there is still a distinct lack of uniformity and effectiveness in program procedures. There still does not exist an effective management information system to allow top management to analyze individual programs, and the clients still continue to cite recurring problems despite attempts at corrective actions.

## IV. PROCEDURES FOR AWARD OF CONTRACTS AND GRANTS

There are 31 major program areas in the OE providing funding to State and local recipients. Within each of these areas, individual programs, numbering well over 100, function separately. Although all of these programs have many procedures in their award processes that are similar, there is no single set of procedures in use; each program office has been free to establish its own procedures. As a result, the investigative staff has identified a number of system constraints in the OE procedures that affect efficient and effective management. Among these are: (*a*) the inconsistent methods and lack of clear guidelines in the announcement of programs and solicitation of proposals; (*b*) the variations in format and lack of technical assistance in the preparation of applications; (*c*) the questionable procedures of selection and utilization of field reader panels in the processing and evaluation of applications; and (*d*) inconsistencies in and lack of proper award notification procedures.

Interviews with OE personnel, and SEA, LEA, and private recipients disclosed that there is no standard procedure for handling applications and that the same problems which have affected processing in the past still exist. Thus, recipients do not know what to expect from program to program, and well-known difficulties in the process go uncorrected.

Inasmuch as nearly all of the programs could use a common set of procedures, it appears to the investigative staff that separate operational plans work to the detriment of sound management. An OE official advised the investigative staff that this approach was deemed preferable to establishing a standard set of procedures for general use as it had been thought that there would be resistance by OE officials to the handing down of a single set of procedures. As noted, the basic steps in the operation of all OE programs are essentially the same, the only significant difference being whether the program is regionalized or centralized; and this has no real effect on the processing of applications. So, while each program is more or less free to establish its own method of operation, all function in basically the same way.

For fiscal year 1974, the OE established a basic framework of processing steps for contracts and grants; and each of the major program areas has been required to document how the various processing steps are to be accomplished. Thus, there will still be 31 separate procedural approaches to a common set of processing steps, rather than a coordinated standard set of management procedures. The official acknowledged, however, that as soon as the 31 sets of procedures were established, work would have to start to consolidate them into a single set. The investigative staff believes that there would have been considerable merit to the establishment of a single set of procedures, since the operations of the various programs are so similar, and that the decision to work first with 31 sets of procedures is typical of the OE's inattention to sound management practices and, in fact, no improvement over the present situation where each program functions separately.

The general methods of OE program operation and pertinent comments received by the investigative staff from contract and grant recipients, as well as observations of the investigative staff, appear in the following sections of this report. This discussion pertains particularly to those programs for which applications are solicited through program announcements; however, the procedures followed for unsolicited applications—those for programs with no formal application deadlines—are essentially the same.

### A. *Announcement of programs and solicitation of proposals*

Announcement of a program and solicitation of proposals are generally not made until after the program office, in the OE headquarters or in a regional office, receives notification of the availability of funds for the particular program. Typically, because this occurs later in the fiscal year, the announcement of the program will also include funding guidelines and program goals and objectives, as well as the actual application materials.

Each program office usually uses a list of known potential applicants, such as a list of all institutions of higher learning, if the program opportunity is limited to that particular group. However, when the universe of potential applicants is not so well defined, the program office usually follows up its direct notification with a notice in educational journals or a notification of associations, so that the greatest possible number of potential applicants will have the chance to avail themselves of the opportunity. Some programs are announced to SEA's and LEA's who then make announcement of the opportunity to their organizational units such as districts or individual schools. In addition, all program opportunities appear in the Federal Register. Many State and local groups also make secondary dissemination of opportunities to their members on the basis of the Federal Register. This is, however, informal and in addition to those programs intended to be publicized in this manner.

Many applicants and recipients expressed the belief that the way in which programs were announced, and guidelines and application information were made available, worked to their detriment in seeking funding for the reasons discussed below.

#### 1. *No Systematic Method for Notifying Prospective Applicants*

While all program opportunities are published in the Federal Register, the investigative staff noted that there was no OE-wide procedure for the distribution of information to individual potential applicants; each program office is free to select its own method of distribution. The result is that some potential applicants are not notified of program opportunities for which they are qualified and may be interested in applying. The investigative staff was informed by a number of recipients that they frequently received word of program opportunities through secondary sources such as State departments of education or associations for programs for which they should have had direct notification. One large school system usually received program information from a State newsletter or the Federal Register, rather than from the OE.

In other cases, potential applicants did not receive word of opportunities or received word so late as to leave insufficient time for the preparation of applications, thus effectively precluding them from consideration for an award under the program. A representative of a potential contractor noted that he first learned of an opportunity at the time an award was announced to another contractor.

### 2. *No Central Point of Information in the OE*

Many potential recipients pointed out to the investigative staff that even in instances when they knew of a program, it was sometimes still difficult to obtain guidelines and information because there is no central location within the OE where information on the various programs is available. According to some educational agencies, it is necessary to first locate the proper program office before one is able to obtain information on program opportunities—a task that at times approaches the impossible

Many local and State agency representatives suggested to the investigative staff that the OE institute a weekly or biweekly newsletter-type publication to summarize the various program opportunities as they become available. They noted that other agencies use such a technique quite successfully.

### 3. *Short time frames for making application*

The complaint most frequently heard by the investigative staff was that there is generally insufficient time allotted to the applicants in which to prepare their proposals or applications. Most frequently, this is the result of the announcement being released by the OE quite close to the deadline for submissions. In other cases, it is the result of an inordinate amount of time being used to get the necessary information into the hands of some individual applicants, while other applicants already have the information. In this regard, representatives of several institutions of higher learning indicated that in fairness to the OE, they realized that, at times, communication delays within the institutions themselves increased the effect of these short deadlines. The investigative staff noted, however, that most delays in the receipt of application forms by potential applicants were beyond the control of the applicants themselves.

These short deadlines also have the effect of precluding some potential applicants from applying. For example, the 1973 announcement for part A of the Indian education program arrived in the hands of a county school board 8 days prior to the deadline date for applications. Not only would it have been first necessary to get the information in the hands of the individual districts, but it was also necessary to have the approval of the application by the county board. As it takes a week to get on the board agenda—an unusually short time frame, compared to some localities which require as much as 1 month—there was only 1 day left to disseminate the information to the districts and for the districts to get applications prepared, obviously an impossibility. Thus, qualified applicants were precluded from participation by a very short, unrealistic time frame. In several States the investigative staff was apprised of this situation with regard to this particular program. It should be noted, however, that the short time frame was necessitated by the need to get applications in and processed by the end of the fiscal year. Because funding and programmatic decisions were made late in the year, availability of the program opportunity was not announced until late in May, with a June 7 filing deadline. Notwithstanding these factors, there was an obvious need to accomplish award actions prior to the end of the fiscal year.

Still another problem brought to the attention of the investigative staff—one which has significant impact since deadlines are frequently short—is that some applicants have direct contact with persons in headquarters or regional program offices and are able to get advance word, preceding official announcement, which gives them an "edge" in the preparation of applications in a timely manner. In some cases they acknowledged that this made the difference between being able to submit an application or being too late to submit one.

### 4. *Unclear, vague, and general guidelines*

Nearly all applicants and recipients contacted by the investigative staff indicated that, in general, the guidelines furnished were less than adequate to give a clear understanding of just what sort of proposal the OE expected to receive from potential applicants. Moreover, in regard to programs that were supposed to be regionalized, frequently the regional office staff either had not received clarifying instructions from the headquarters office or the regional staff did not, in fact, have the authority to make decisions or interpretations concerning guidelines. The result was that many applicants were frustrated in their attempts to get information that would have been helpful in preparing their applications, information that would have perhaps made the differences between preparing a successful or an unsuccessful application. In other instances, interpretations would vary from region to region or between a regional office and the headquarters. One recipient noted that guidelines sometimes change frequently, and the headquarters office does not always keep the regional office advised of the changes.

The concensus of those interviewed by the investigative staff was that there was insufficient participation in the development of guidelines by the ultimate users themselves, and it was suggested that a possible solution to the problem of unclear guidelines would be to involve more representatives of the educational community. Thus the OE would have the benefit of the valuable knowledge and the experience of those who would be operating the programs. It was generally thought by the recipients that this would have a highly beneficial effect on the quality and clarity of guidelines and regulations.

It was also noted that, frequently, guidelines which are intended to be national in scope are not appropriate to the situation in a given locality. The recommended remedy was to allow some degree of flexibility in the application of guidelines so that they could be tailored to local situations.

### 5. *Hastily written plans and guides to implement legislation*

Several of the recipients interviewed by the investigative staff complained of apparently hastily written plans and proposed guidelines prepared to implement newly enacted programs. As a result of hasty preparation, proposed guidelines were subject to revision during the application preparation process. The example cited most often was in the case of the Emergency School Aid Act (ESAA) application process for fiscal year 1973. In order to permit potential applicants to start working on proposals, the OE released "draft" guidelines. At the same time, the regional office staffs held workshops for the potential applicants in order to explain the program and to answer questions. The problem centered around the revision of the guidelines at least twice, which resulted in there being at least three sets of "draft" regulations; and many applicants did not have the final regulations before the time that they had to submit their applications. To further complicate the situation, the regional staffs, who were supposed to be able to assist the potential applicants in the preparation of their proposals, had never received sufficient information from headquarters to enable them to be of any real assistance in the preparation of the applications.

### 6. *Changing guidelines*

Similar to the changing of guidelines for new programs, the contractors and grantees noted that many program guidelines underwent substantial changes from year to year, or even during the time between program announcement and the application deadline—even though there had been no change in the legislative authority for the program. They believe that while some change was warranted in the guidelines to strengthen them as experience is gained in operating the programs, the almost continual changes made were not necessary. Such changes, particularly when they come during the process of preparing proposals, cause much effort to be wasted in revising the proposals as well as undermining the faith of the educational community in the administration and direction of the OE's programs. A few believed that this was indicative of an overall lack of direction in the national educational programs and goals as administered by the OE. They pointed out that over the long run continual change would eventually discourage some applicants from even applying for grants, particularly smaller institutions where resources to prepare applications are limited.

## *B. Preparation of applications*

Discussions with contractors and grantees indicated several improvements that could be made in the application process. They noted that these were recurring problems of which they believed the OE to be well aware.

*1. Variations of application format*

It was the opinion of most contractors and grantees that the actual application forms were, in general, too encompassing and called for more data than were actually needed. They suggested that it might be practical to consolidate certain elements common to the information needs of all programs, and to use common forms for various groups of programs, or to make certain portions of all applications—such as the first few pages—standard. In this connection, several States have developed a consolidated form for use in applying to the State for funds received under Federal block or formula grants. It was suggested that the OE consider the use of a consolidated form that could be used in applying for several programs; that is, an applicant could fill out an application containing the necessary information for a number of programs and simply indicate for which programs he was applying. The investigative staff believes that, while there is merit to streamlining some aspects of the application forms, there may be only limited usefulness in consolidating applications for more than a few programs that have similar informational needs. It was noted, however, that all programs seem to have common basic information needs which might allow partial consolidation of application forms.

*2. Availability of technical assistance*

There seems to be a wide variance in the type of technical assistance available to applicants in the preparation of their applications. Factors affecting the type of assistance include the availability of staff to render assistance, access to available staff—for instance, an applicant in California has limited access to headquarters OE staff—and, in the case of getting assistance from regional office staffs, the amount of information that has been made available to the regional staff by the headquarters office.

Discussions with grantees visited by the investigative staff disclosed many instances where technical assistance should have been available from the regional OE staff but was not because the regional staff had not received the necessary information from headquarters. A particular example is the Emergency School Aid Act program discussed previously because the guidelines were changed several times. Applicants told the investigative staff that at the time the regional staffs were holding workshops for prospective applicants—in accordance with headquarters instructions—the regional staffs had, in fact, little or no more information than had been furnished to the applicants. Thus, there could have have been no meaningful technical assistance.

There was general agreement that most technical assistance was, in fact, limited to interpretive assistance with the guidelines rather than conceptual development of proposals. Many applicants believed that a lot of effort that is wasted on development of applications could be avoided if the OE were able to provide assistance of a nature that would help an applicant assess the relative merit of the concept of his proposal before he went to the effort to fully develop the concept.

Some recipients complained that they were, at times, unable to obtain additional information or clarification that they required during the preparation of their applications. They believed that this had the effect of lessening their chances to receive an award. Others believed that some applicants were favored in that they were "fed" information as to what sort of proposal would be likely to be more favorably received. Some acknowledged having received such advice from personal contacts within the OE offices. The investigative staff believes that such actions, whether intentional or inadvertent on the part of the OE, work to favor certain applicants and are certainly not in accordance with the intent of the enacting legislation.

### *C. Processing and evaluation of applications*

With the exception of a few programs for which applications are submitted through State departments of education, applications are submitted to the regional or Washington OE program office as appropriate. In the past, each program office was responsible for receiving and logging in its own applications. Starting in fiscal year 1974, all applications coming into the central office are received in a central location and logged in prior to distribution to the appropriate program office.

In the past, only a few program offices acknowledged receipt of applications. However, the majority of applications received no acknowledgment and applicants had to wait several months for notice of either rejection or award. As part of the new fiscal year 1974 procedure, the investigative staff was informed that there will be an acknowledgment sent upon receipt of all applications.

Most program offices use a procedure whereby applications are prescreened to see that they are complete, that the proposal is in general conformance with guidelines, and that the budget is proper. Most often the prescreening is concerned with completeness and budget, such as making sure that all required information has been provided or that an excessive amount of travel is not included. In some cases, when time permits, proposals may be returned to the applicant for clarification or corrections.

Nearly all programs use "field readers" in the selection of projects for award. These readers, persons knowledgeable in the particular field, prepare evaluations of the proposals for the OE. These proposals are then usually reviewed by OE program personnel, and the projects that are to receive awards are selected. A request that the Contracts and Grants Division negotiate an award is generated by the program office. The Contracts and Grants Division then negotiates the procurement and financial aspects of the award. The investigative staff ascertained several areas in this process requiring improvement, as discussed below.

### *1. "Stacked" Opinions in Selection Process*

Procedures for the selection of field readers call for assurance that there will be no bias in the process of rating applications. This is accomplished by not using readers from an institution which has a proposal under consideration; by using a variety of experience—having readers from different but related backgrounds—and by using a mix of institutional affiliations such as public and private schools, State departments, and large institutions of higher learning as well as smaller institutions.

OE program personnel as well as individual recipients expressed the belief that, in spite of the requirements designed to prevent conflict of interest, it was still possible to anticipate the personal likes and dislikes of the individual members and thereby "stack" the ratings by selecting readers of a known personal preference. The investigative staff was unable to determine to what extent such "stacking" has occurred; however, it must be remembered that it is virtually impossible to form a bias-free panel.

### *2. Variations in Field Reader Contact With Applicants*

Usually the applicants do not have any contact with the evaluation process once applications are submitted. Field readers operate independently of the applicants and report back to OE personnel. Any additional information desired by the panel of readers is, with few exceptions, obtained by OE personnel from the applicants. However, in a few cases recipients told the investigative staff that they had been contacted directly by the panel, and one regional office advised that its normal practice was to allow panel members access to the applicants. Most applicants believe that contact by the panel and the seeking of additional or clarifying information was, in fact, a subtle means by which the panel could effect revision of the proposals. Several applicants told the investigative staff that they received the distinct impression that they would stand a better chance of receiving an award if they changed their proposal in accordance with panel suggestions. The investigative staff believes, and nearly all recipients concurred, that a proposal, once submitted to the OE, should stand on its own; and there should be no contact with the panel nor should there be any opportunity for revision. To allow some applicants to revise their proposals works an unfair disadvantage to those not afforded a similar opportunity.

### *3. Rubberstamp Approval of Panel Recommendations Versus OE Analysis*

The investigative staff found that the usual procedure is for the OE program office staff to review the recommendations of the panel of field readers in the formulation of a program of awards. Most offices indicated that, when there was additional information available, they did temper the evaluations of the panels in making the final selections for awards. The program staff would then make this recommended list available to the branch chief and/or deputy commissioner for final approval.

The investigative staff believes that it is a sound procedure to use the input of readers as one source of information in the selection of proposals for the award of grants with OE personnel responsible for the decisionmaking. However, it was noted that several program offices relied solely on the panel evaluations, and in one instance the panel had been provided data on the total dollars available and was allowed to formulate the entire program of awards. In effect, the OE staff had no input to the actual selection of awards even to the point that they did not make any new analyses of the proposals or recommendations of the panel. Further, the investigative staff was advised by the head of this program office that a panel assembled from the academic community had played a major role in the initial development of guidelines. Thus, this particular program area seems to be largely removed from OE control.

*4. Negotiation*

The investigative staff noted the absence of a clear-cut break between the programmatic aspects of awards and the functions one normally associated with contract and grant officers. This observation was reinforced during discussions with grant recipients, program personnel, and contracting and grants personnel. Normally, one would expect the program office to settle all programmatic aspects of an award and turn the necessary information over to the Contracts Division for final negotiation of the procurement and financial aspects of the award.

However, the investigative staff became cognizant of changes of budgets (which were not related to scope changes) by program people, as well as alteration of programmatic aspects being suggested by contracting personnel. Many recipients advised that there was no separation of these two functions and that program people frequently took an active part in final negotiation of awards. The OE appears to have recognized this problem area; and, hopefully, the reorganization to a centralized contracts and grants operation, as well as other necessary administrative reforms, will correct the deficiency in the separation of the two functions.

### *D. Award of Grants*

The investigative staff heard numerous comments from SEA's and LEA's, as well as from private institutions, relative to the process of notification of award. These comments are summarized below, and, with the exception of the comments relative to bypassing State departments, most comments represented situations that did not seem to occur with any great degree of frequency.

*1. Notification of award*

The DHEW has a congressional notification procedure for awards whereby Members of the Congress are given a 48-hour advance notice of awards that affect their States or districts. This departmentwide requirement applies to the OE, and many recipients informed the investigative staff that their first word of an award often comes from a Member of the Congress prior to the official notification from the OE.

This procedure presents no problem to the recipients and is one that many agencies throughout the Federal Government follow. What does present a problem is that a recipient may be contacted by a local newspaper or television or radio station for details of the award before the official notification, which contains the pertinent details, is received from the OE.

*2. Incomplete notification*

Some grant recipients indicated that, when they did receive notification of award, the information was incomplete and did not tell them all they needed to know in order to properly respond to the requirements of the grant. Others said they merely received a notice of award. Specifically, the investigative staff was informed that some recipients were not advised of the financial and programmatic reporting requirements or precisely what items would be allowable expenditures under the terms of the grant. The lack of clear guidelines, or the complete lack of guidelines, makes it necessary for the recipient to go back to the OE and seek clarification or additional information. This results in a waste of time and effort on the part of the recipient and the OE.

### *3. Lack of coordination between regional and headquarters office*

There is an apparent lack of coordination between the regional and headquarters offices with respect to the awarding of grants. The primary difficulty is that the recipient of an OE headquarters award may contact a regional office for information when the regional office has never been advised of the award.

On the other hand, there is the instance in which a city school system received two different official award letters, one from headquarters and one from the regional office—both for the same grant award. Centralized programs should be awarded from headquarters; and regionalized program awards would, of course, be made from the regional offices.

### *4. Bypass of State departments of education in making awards to local agencies*

All nine of the State departments of education that were visited by the investigative staff noted that their efforts to coordinate educational efforts within the State were encumbered by what they termed "the bypass problem," the award of contracts and grants to LEA's without making the State aware of the award. This makes it extremely difficult to take an orderly approach to education in the States or to capitalize on the full knowledge that may be available. At times, it also results in a duplication of effort.

A classic example is that of one State which operated an educational program for Indian children with moneys made available by the Bureau of Indian Affairs (BIA). These funds were made available to individual school districts through the State. The State later found out that the OE had made awards directly to districts for the same purpose, including some of the same districts getting BIA money through the State. In three cases where the same district was getting money from both sources, the State had reason to believe that moneys were being received twice for the same expenses.

One State had been attempting to get the State legislature to approve funding for an experimental school project, not knowing that the OE had been directly funding a similar project in the State for over 2 years in the amount of $5 million. An official in this State department noted that the State needs to know of OE projects so that it can coordinate, plan effectively, and benefit from the sharing of knowledge.

### *5. Lack of notification of rejection or reasons for rejection*

Many applicants noted that they did not receive an explanation of why their proposals were not funded, and a few stated they did not receive a rejection notice at all. Those who received the notices said they were general in nature and, frequently, the only reason given was that there were "funding considerations" rather than specific reference to the proposal itself.

The investigative staff noted a few program offices routinely or on request would make available portions of the field readers' evaluations to the rejected applicants. This appears to be a desirable practice.

### *6. Payment procedures*

Numerous recipients mentioned that they receive checks which are not identified as to contract or grant. This may be related to the procedures used by the U.S. Treasury in making disbursements rather than to internal OE procedures. In any event, payments are received that are not identified. When an institution has several grants operating, this can present a problem in that it can be difficult to determine to which grant to apply the payment.

On the other hand, if an institution is expecting a check to cover payments under several grants and for some reason one of the grant payments was not included in the lump-sum payment, it would be nearly impossible to properly apply the payment without some type of remittance advice accompanying the check. The same would hold true if one of the grant payments were reduced for some reason.

While most grantees said they were evenutally able to obtain information as to what the payments represented, at least one was not. The investigative staff was informed that a check in excess of $6,000 had been on hand for over 2 years, and the institution had not been able to obtain information identifying the payment it represented.

### 7. *Postaward changes*

While the investigative staff learned of only one specific instance of postaward changes, it is worthy of note that there may be some confusion as to the role of the program personnel with respect to work scope after a project has been awarded. One institution of higher learning experienced a change of the headquarters program officer for one of its grants. The new program officer, who assumed responsibility after the grant had been negotiated and awarded, had requested that the proposal be rewritten. Following this, there was still another change in program officers; and the third program officer indicated that she understood that there was a need for the proposal to be rewritten. The institution informed the investigative staff that it was apparent the knowledge of the proposal by the second and third program officers was limited—the third had not even read it—and the institution had refused the request to rewrite.

## V. POSTAWARD PROCEDURES

### *A. Monitoring*

The OE management cannot adequately determine whether or not the funds made available through contracts and grants have been wisely used because of a lack of adequate monitoring, reporting, and evaluation procedures. Periodic disbursements of the award moneys are, in most cases, automatic and not the result of an assurance that the milestones or reports required under the terms of the contracts and grants have been accomplished. In addition, educational programs, including those which have been in existence for a number of years, with few exceptions have not been evaluated to determine if they have met their objectives as established by statute.

The quality and effectiveness of contract and grant projects is determined by OE program officers by telephone contacts with the recipients of awards, periodic fiscal reports, and on-site reviews.

Programs which are decentralized and administered by the regional offices generally receive closer monitoring than those which are centralized and administered from the OE headquarters. While the regional offices perform on-site monitoring of some centralized programs, the extent is limited. A Regional Commissioner of Education acknowledged that monitoring effected by regional office personnel of centralized programs is scant and ineffective because the regional offices have no real authority for such programs and must give priority to those programs for which they have responsibility. The majority of OE discretionary grants programs are administered from OE headquarters, and on-site visits are seldom, if ever, made by program officers. The OE headquarters must rely almost exclusively upon self-evaluation by recipients of contract and grant awards for a determination of the progress, status, and effectiveness of their respective projects.

Officials of the OE regional offices informed the investigative staff they realize that on-site visits to various contract and grant projects enable them to better manage their programs. However, they pointed out they have no been able to conduct as many project visits as desired because of budgetary constraints on travel and insufficient personnel. Officials of one regional office advised that site visits are projected at least once per year for each site, but last year they were able to achieve only 48 percent of their goal. Therefore, they rely upon telephonic contacts with the recipients or their representatives or the review of periodic reports to each a determination of the quality of performance by the recipients. The officials stated that on-site visits are not only essential to good management procedures but are also beneficial to the contractors and grantees. Site visitors have three overal functions to perform: (1) Assist with the implementation of the funded grant; (2) solicit from the project director statistical data and information relative to program operations; and (3) assist, advise, and evaluate the ongoing programs.

The extent to which on-site visits are made varied from program to program within the OE regional offices visited by the investigative staff. Generally, recipients of vocational educational grants reported adequate monitoring of those programs. On the contrary, other recipients advised they had received a limited amount or no programmatic monitoring of any of their grant programs. For example, one SEA reported its bilingual programs have never been monitored.

Most of the recipients interviewed were of the opinion that on-site monitoring visits, though infrequent, were beneficial to their projects. One stated such visits are helpful for two reasons: (1) You remain on your toes when you know monitoring will take place and (2) you become sloppy if you are not monitored. Others contacted by the investigative staff questioned the quality and purpose of OE monitoring. They pointed out in some instances, when onsite visits are made by the OE personnel, too much attention was paid to unimportant details, that is, how long a consultant was used rather than how good the consultant was. They also reported that monitoring visits were sometimes made for observation purposes only and at other times for the review of fiscal records instead of furnishing technical advice or usggestions for program improvement.

### *B. Evaluation*

Program managers in each of the OE bureaus were responsible for evaluation of their respective programs until about 2 years ago. At that time such activity was centralized in the Office of Planning, Evaluation, and Management at OE headquarters. Methods used by the program managers to measure the effectiveness of grant programs included on-site reviews, quarterly reports submitted by the grantees, and third-party evaluators. However, on-site reviews have been limited; and the program managers have depended heavily upon telephonic inquiries of the grantees and the quarterly reports, which have not always been submitted on schedule.

An official of the Office of Planning, Evaluation, and Management advised the OE does not have the in-house capability to make program impact and effectiveness studies to determine if OE programs are meeting their objectives; and competitive contracts have been awarded during the past 2 years for that purpose. He pointed out that each study requires at least 1 year for completion and usually 1½ to 2 years; consequently, very few studies have been completed to date.

Officials of 2 LEA's complained to the investigative staff about the evaluation of their Emergency School Aid Act programs. One official stated there has never been an evaluation of his program. He said that the Federal money may not have been unwisely spent, but evidence is lacking to prove that any good came from it. Another official stated that evaluation of his program was made so late that the results were useless in decisionmaking for followon funding. This comment was also expressed by other award recipients to the investigative staff.

Ane of the exceptions to the lack of overall evaluation capability is an effort to develop a means of evaluating the effectiveness and accountability of special programs for the disadvantaged (TRIO). The regional offices have instituted a system of management by objectives. This system is considered to be a unique technique for defining goals in a highly participative and flexible manner. The management-by-objective system is based on two concepts: (1) The clearer the idea one has of what he is trying to accomplish, the greater the chances of accomplishing it; and (2) progress can only be measured in terms of what one is trying to make progress toward. OE officials advised that management by objectives is based on the assumption that people want to succeed and are willing to work toward objectives that are congruent with organizational goals. Therefore, management by objectives was incorporated by the TRIO program directors in the writing of proposals for fiscal year 1974. At the completion of the program year, a report will be submitted listing all major accomplishments, with comments on variances between results actually achieved and the results expected. OE regional officials believe that after management by objectives is fully implemented they will be in a better position to evaluate their TRIO programs.

### *C. Lack of milestone reporting*

The OE has not established an overall system of milestone reporting by the grantees prior to the release of the funds. Payments can be made to the recipients without any certification by the OE program officers as to whether the terms of the award have been met. Thus, the investigative staff believes it is quite conceivable a recipient could receive substantial funds or perhaps the entire amount without accomplishing a comparable portion of his program. However, for some programs, such as the Emergency School Aid Act, the payments to the recipients are tied to milestone certifications and, on an exception basis, the release of moneys can be withheld upon the recommendation of the program officer.

It was the opinion of some regional office personnel that the regional offices would have more direct fiscal control over the grantees and would be in a better position to require them to submit timely reports, if payments were made through the regional offices to the recipients rather than directly to them. An OE headquarters official, who is knowledgeable as to the OE's contract and grant procedures, believes that each recipient should be required to obtain a certification from the program officer of the OE, prior to requesting partial payments of grant funds.

## VI. CLOSEOUT OF CONTRACT AND GRANT AWARDS

Another weakness in the contracts and grants management process of the OE is the failure to promptly audit and close out contracts and grants upon completion of the program or project for which the awards were made. The investigative staff determined this deficiency existed not only in the regional offices but also at the OE headquarters. It was estimated by an official of the Contracts and Grants Division that approximately 9,000 contracts and grants in OE headquarters and 4,000 in the regional offices have not been closed out. The official said that approximately 90 percent of the total were grants, and the closing of some of the contracts has been delayed for as long as 8 years.

The older contracts have not been closed out because the OE has not been able to get agreements from the contractors to do so. In these instances all payments have been made to the contractors, but the contractors believe other costs may be chargeable to the contract. Since the contractors incur no costs in maintaining the contract files in an open status, they will not agree to a termination.

Before closeouts can be accomplished, it is necessary for (a) the files to be reviewed to determine if all contract and grant funds have been expended and, if not, returned to the U.S. Treasury; (b) an accounting made of all Government property used by the recipient; and (c) a final report on the project. Frequently, it is necessary to recontact the recipient of the award or the project director to obtain this data. At the present time there are about 2,000 letters outstanding for this purpose, approximately 500 of which pertain to OE headquarters awards and 1,500 to the regional offices.

In addition to the 13,000 closeouts now outstanding, another 6,000 award files will probably never be closed out because they were in storage awaiting closeout action but cannot now be located. An OE official commented, "they probably have been sold for wastepaper." The official advised the possibility exists that a review of program files, finance files, and/or correspondence files could furnish the necesary data to reconstruct the missing files, but the cost of doing so would overshadow any benefit to be gained. The official said the 6,000 missing files would probably be closed out administratively.

Many recipients interviewed by the investigative staff were critical of the DHEW for not promptly conducting audits upon the completion of the grant and contract programs. They claimed that such delays are costly to them in terms of the time and expense required to justify expenditures incurred during the program operation. It was pointed out by the recipients that sometimes the auditors do not agree with the interpretations of the OE program officers, who approved certain expenditures, and the recipients have been required to refund monies to the Government years later. They considered this method of operation grossly unfair.

Representatives of a private nonprofit organization which has been the recipient of many grants from the OE advised the investigative staff that their programs have not been audited by the DHEW since 1970, and over 100 contracts and grants are awaiting final audit. Also, the final reports on many of these programs have not been submitted to the OE.

Another example of delays in auditing of contracts and grants was called to the investigative staff's attention by officials of an SEA who advised that the audits of closed contracts and grants of that agency are shrinking in size and regularity. Some have not been audited since 1966, and about 4 years is the average time since any of their programs have been audited.

A DHEW Audit Agency official commented that because of the volume of work his agency cannot satisfy every contracting officer in the OE with a final audit of each and every contract and grant. He explained that each institution handling several contracts and grants is treated as a separate entity for audit purposes, and the institution will eventually be audited in regard to all Federal funds, including a representative sampling of individual contracts and grants. The DHEW Audit Agency has been charged by the Office of Management and Budget with full audit responsibility for all Federal funds provided to an institution if 50 percent or more of the funding comes from DHEW agencies.

## VII. BACKDATING OF FISCAL YEAR 1972 CONTRACTS AND GRANTS

In violation of DHEW and OE contracting, grants, and accounting requirements, and Federal law, the OE awarded in excess of $55 million worth of contracts and grants subsequent to the end of fiscal year 1972, the year in which they should have been obligated. The investigative staff's analysis of this situation indicates the causes of this violation of Federal law are many and so interrelated that to measure the contribution of each is difficult. However, the inability of top management to properly analyze and assess the overall work load within the OE and the inability to recognize the seriousness of the conflicts in its internal functions appear to have been major factors.

In an effort to improve the administration of contract and grant awards within the OE, the Deputy Commissioner for Management took steps in the spring of 1971 to schedule the obligation of funds for fiscal year 1972 throughout the year so that all funds would have been obligated by April 1, 1972. This effort failed. The investigative staff's review of OE documentation and DHEW audit reports, as well as the detailed interviews of the principals involved, has indicated this monitoring system was not effective mainly because program and project officials of the OE were not responsive to the procedures established.

### A. *Monitoring procedures*

The obligation schedule and tracking for fiscal year 1972 funds involved monthly progress reports submitted by the various bureaus and divisions. However, these reports were concerned only with the funds involved and not with the number of processing actions associated with the funds. According to OE officials, their analysis of these monthly reports indicated slippages but they felt there was ample time span built into the schedule to compensate for the delays. In May 1972, officials of the Contracts and Grants Division indicated to top management of the OE that there was no real concern with their workload and they would be able to complete the obligation of funds on schedule. In an effort to insure this, OE management authorized approximately 100 man-days of overtime for the period April through June 1972, if needed. As late as June, personnel of the Contracts and Grants Division were still saying there was no indication of an inability to complete the tasks by June 30, 1972.

The investigative staff has learned that this overall tracking and monitoring schedule was aimed primarily at the functions of program and project personnel of the bureaus and divisions and did not address itself to actions or actual processing of awards within the Contracts and Grants Division, constituting a serious failure in management planning. In addition, the actions that were being forwarded from program officers to the Contracts and Grants Division for award were also being included by program personnel in the monthly progress reports, which practice on the surface would appear proper, however, in reality, was not. In a large number of cases, a cover sheet and a request that an award be negotiated are all that were initially received by the Contracts and Grants Division. All the necessary backup material needed for negotiations and award was supplied later, either voluntarily or upon request from the Contracts and Grants Division. Thus, while the program offices were reporting actions as ready for award and placing responsibility for failure on the Contracts and Grants Division, the necessary paperwork had, in fact, not been forwarded. As an illustration, one bureau which had almost $27 million in backdated awards, according to other OE officials, supplied primarily only cover sheets rather than the complete documentation necessary for award.

The end of the fiscal year passed and on July 5, 1972, top OE officials claimed to have learned for the first time that several awards would have to be backdated. This, according to the same officials, came to them as one element of a grievance filed by the Director, Contracts and Grants Division. The initial reaction was that this was not true, that the funds had indeed been obligated since some sort of communication such as congressional notification or a program officer's letter or other documentation had been made that committed the OE to the award. The OE's analysis showed that of the nearly 755 actions found to have been backdated, the vast majority had some sort of prior commitment. However, the General Counsel and the Controller's Office determined that the awards must have been formally signed by a warranted contracting officer prior to June 30, 1972.

in order to properly be considered as fiscal year 1972 awards. As a result, approximately $55 million had been obligated as fiscal year 1972 transactions in violation of Federal law and departmental and agency regulations.

The discovery of this backdating of contracts and grants set in motion a number of inquiries, audits, and investigations, all of which confirmed that backdating had actually occurred. The investigative staff's review and analysis of these several reports reveals a number of factors that apparently contributed to the backdating incidents, as discussed below:

### *1. Attitude*

There was and still is a prevailing attitude among the majority of program personnel and project officers within the OE that translates into the desire to see priority placed on education program objectives, with little or no concern for accountable financial responsibilities in the execution of those programs. The individual program officers are very independent and each tends to operate in his own unique style. They have established their own ground rules and become very adamant when those rules conflict with those of other responsible managerial functions such as accounting and finance matters. The investigative staff was informed that, even today, the situation of attitudinal problems still exists. Apparently, program managers as well as some OE officials continue to utilize methods that are not in accordance with contracting and grant procedures in an effort to promulgate actions that are not always competitive or subject to an objective review and negotiation. In other words, bias and favoritism still exist in some actions. For example, as recently as the close of fiscal year 1973, there were several awards made by the OE which the Director of the Contracts and Grants Division refused to approve (which, incidentally, occurred in the closing hours of the fiscal year) because of his belief they were not in accord with proper contractual and grant procedures. The awards were made anyway, the approval having been made by top officials of the OE.

### *2. Contracting Officer(s)*

Prior to the spring of 1972, most bureaus and divisions within the OE had their own contracting ability. According to the OE, the role of the contracting officer(s) was not clearly defined and this resulted in confusion between the program officers and the contracting personnel. In fact, some contracts and a good number of grants were issued outside of the then existing Contracts and Grants Division. After the contracts and grants were let, they were being administered by bureau personnel. Changes in work scope and extensions of performance periods were frequently made without the benefit of contract modification. In addition, little action was being taken by the bureau personnel when the performance of the contractor or grantee was poor or when the final product was deficient. Any of the actions that were being exercised by the Contracts and Grants Division at that time were merely rubberstamp approvals.

A significant number of procurement action requests received by the Contracts and Grants Division lacked definitive work scopes. Frequently, the work scopes lacked adequate cost breakdowns, work performance milestones, and contractual structure to provide assurance to the OE that it would receive the desired product at a specific time. This had the effect of reducing competitive procurement.

### *3. Management Control*

The OE has been drifting each year with something less than real quality control. The only tracking of OE operations that was done was a financial one (total funds obligated). Personality conflicts have, in many instances succeeeded in impeding the proper flow of operations and have resulted in a further fragmentation of the contract and grant issuance activity.

Subsequent to all the audits, investigations, and reviews, the OE undertook to rectify the backdating of contracts and grants so they would be properly reflected in the fiscal year in which the obligation occurred. OE officials did a detailed review of all contract and grant award documents and found a small percentage were properly charged as fiscal year 1972 obligations. At the direction of the then Acting Secretary of DHEW, the remainder of the contracts and grants in question, involving nine annual appropriations under the control of the OE and National Institute of Education and in an amount of approximately $55.3 million, were directed to be charged as fiscal year 1973 obligations. All the necessary accounting records and reports, including reports to the Department of the Treasury, were corrected. However, the decision to properly record the $55.3 million as fiscal year 1973 obligations reduced the amount of funds budgeted in fiscal year 1973 for other OE activities. This emergency action was compelled so that the correct fiscal year would reflect appropriate obligated funds in a manner consistent with Federal law.

### VIII. ADMINISTRATIVE IMPROVEMENTS

As a consequence of the fiscal year 1972 backdating situation and to insure that no further backdating of contract and grant actions occurs within the Education Division, the Secretary of the DHEW, on March 19, 1973, directed the Assistant Secretary for Education to implement immediately a series of corrective actions. These directives were intended to effect both short-term and long-term remedies of deficiencies in the processing and tracking systems. At the same time, or shortly thereafter, the Assistant Secretary for Administration and Management was charged with taking necessary steps to preclude recurrence of backdating of award actions within the OE. He assembled an ad hoc group, the task force on fiscal year 1973 grant and assistance contract procedures. It conducted a review of program funding procedure descriptions and took a representative sampling, program by program, of grant or assistance contract awards in relation to a set of proposed minimum standards designed to incorporate positive safeguards against various possibilities of miscarriage. The samples taken by the task force were traced back and a reporting mechanism established whereby the OE reported the status of contract and grant processing actions on a weekly basis. The reporting mechanism enabled the OE to identify weak points in the processing cycle and areas wherein more people were needed to get the work out. The task force followed up on its examination of fiscal year 1973 contract and grant award procedures by reporting to the Assistant Secretary for Education recommendations for procedural modifications that might improve the administration of assistance programs.

It is noted that the task force examination of fiscal year 1973 award procedures was mostly an audit-type review and, although due cognizance has been taken of its findings and observations, the investigative staff did not attempt a duplication of this effort through individual file reviews and program-to-program comparisons. Suffice it to say, this study has dealt with the larger issue of agency-wide procedures. Nevertheless, the investigative staff, upon review of the task force report, believes its content and scope to be demonstrative of a further need to increase audit review capability of the OE programs.

The OE, although not specifically responsive to the DHEW Secretary's directive of March 19, 1973, identified the underlying causes of administrative weaknesses in prior years' management practices as (a) the independence of program offices in style and procedures; (b) the lack of a clearly defined role for the contracting officer, which, in turn, produced confusion in the relationships between program officers and contracting officers; and (c) nonawareness and/or inattention to conflict-of-interest regulations for Federal employees with regard to the obligation of funds. It is noted that the latter problem, although presumably a past weakness, had no causal relationship to the fiscal year 1972 backdating situation. The OE further enumerated a series of reform measures undertaken that reportedly are, or will be, improvements over past years' handling of business management activities. Excluding those pertaining to potential or past conflicts of interest, the corrective actions are noted and discussed below.

#### A. *Improvement in the role of the contracting officer*

Steps taken to define and strengthen the role of the contracting officer included the restriction of authority to obligate Federal discretionary grant funds to individually warranted contracting officers, effective July 1, 1971, and placement of the congressional notification procedure under his control. A training course sponsored by the Harbridge House and attended by over 400 OE personnel was conducted subsequently in 1971 for the purpose of improving the contracting processes and understanding thereof. The business aspects of discretionary award procedures were centralized in April 1972 in the Contracts and Grants Division of the Office of Business Management with delegations of authority reserved to the Deputy Commissioner for Management; 41 persons previously engaged in handling contracting work in the program offices were transferred to the centralized Contracts and Grants Division.

The above steps have afforded a greater degree of visibility to the contracting officer and have increased the centralized Division's responsibilities and authorities; however, it is interesting to note that some were effected prior to the critical period of fiscal year 1972, and obviously did not alter the attitudes prevalent in, and causal to, the backdating situation. Despite the fact that the aforementioned training course offered to the program, project, and procurement officials in late 1971 stressed the OE policy that only procurement officials can notify grantees and contractors of awards, advance funding commitments by program officials did occur.

Officials in the Contracts and Grants Division have advised the investigative staff that less than desirable talent was realized from the program bureau transfers, and current division staffing of approximately 100 persons is inadequate to handle the increased workload. These officials noted that additional positions had been authorized for fiscal year 1972, but no moneys were appropriated. In fiscal year 1973, new positions were again authorized and funds were appropriated; but the 5-percent reduction in personnel ceilings negated the possibility of acquiring the necessary personnel. However, they pointed out that improvements did occur in fiscal year 1973 and there is a better working relationship with the program bureaus as a result of the task force recommendations.

### *B. Improvement of procurement procedures*

The OE has developed basic procedures for determination of the appropriate instrument—contract or grant—to be utilized in an award action and delineated standard terms and conditions for its grant awards. Operating guides have been developed within the Contracts and Grants Division and in February 1972, a Sole Source Board was established to rule on all requests for sole-source contracts over $25,000.

These actions give positive direction to the competitive processes for awards and further the cause of the agency's credibility with its clients. Cognizance is taken at this point of a suggestion by the task force that a "sole-applicant" board be established for grants and assistance contracts to perform the same kind of review that the Sole Source Board does for procurement contracts. The investigative staff agrees with the observation of the task force that unsolicited proposals for grant and assistance contract awards should be subject to competitive processes or, if deemed to be so unique and of such importance to the Government as to justify acceptance without an attempt to obtain competition, they should be subject to review and the collective judgment of a fairly high-level board within the OE. The investigative staff concurs in the opinion that not only will the administration of programs benefit from the elimination of questionable low-level decisions in the awarding of grants and/or assistance contracts without attempting to obtain competition, but such a requirement would also tend to negate program office reliance upon unsolicited proposals in lieu of good program planning.

### *C. Improvment of management procedures*

The OE claims the PGIS system is a management improvement and its function as a file of funded activities is held to be of assistance to top management in reviewing the total workload of the agency. Again, the OE indicates its plans call for using the system to track applications from receipt to closeout in fiscal year 1974. In addition to PGIS, the OE claims its immediate improvements include the development of an office-wide schedule for submission of program decisions to the Contracts and Grants Division with weekly followup action by the Commissioner on overdue events and weekly reviews of potential slippage by the program executive officers and the Assistant Commissioner for Business Management.

The contention that PGIS is a present and continuing improvement is not supported by the investigative staff's inquiry. It was noted that the only capability existing for fiscal year 1973 was to generate a list of funded projects, which would not allow management to track the total workload. In addition, the capability does not exist to track applications from receipt to closeout in fiscal year 1974, and its potential as a management tool is, at best, still questionable. Furthermore, as of October 10, 1972, an accurate readout of all fiscal year 1973 funded activities could not be obtained from this system.

The investigative staff observed the workload scheduling and tracking systems to be much improved in fiscal year 1973, primarily as a result of the establishment of a schedule for processing of award actions. The tracking system was based on percentages of both total dollars and number of actions, and firmer control was gained over outstanding workloads. Excuses were not accepted from the program bureaus for nonadherence to the schedule. The weekly meetings, summaries, and reviews of the status of award actions, combined with threats of travel restrictions and the potential loss of funding at the end of the fiscal year, seemed to provide the necessary incentive to the program bureaus for adherence to the schedule.

In order to accomplish certain major tasks of management decreed in the DHEW Secretary's directive of March 19, 1973, a fiscal year 1974 discretionary grant program schedule has been adopted to provide documentation of how a program operates, and a calendar scheduling of work. The schedule encompasses the grant award administrative processes of (1) policy development, including financial and operational plans; (2) application; (3) selection; and (4) award. Nine maximum completion date milestones have been established in the schedule, and individual program milestones are staggered in a master schedule to afford top management the analysis and tracking capabilities necessary to prevent any simultaneous buildup of grant actions within a particular program area. Responsibility for enforcement of the scheduled milestones lies with the Commissioner's office and the Deputy Commissioner for management working in consort with the various Deputy Commissioners.

In addition to the discretionary grant program schedule for fiscal year 1974, a similar contracts program schedule has been developed and adopted that will impose calendar milestones on procurement actions. An application control center, a manual operation under the direction of the Contracts and Grants Division, has been established to serve as a central point to receive and log in all proposals.

As relates to the discretionary grant program schedule, an OE official acknowledged to the investigative staff that, as of September 21, 1973, the first milestone—September 1 deadline for Deputy Commissioner approval of proposed regulations and funding criteria—had not been achieved in some cases due to a lack of funding criteria in the basic regulations. As of October 4, 1973, funding criteria for 14 of the 31 major program areas had not been cleared by the Office of the General Counsel. The OE representative noted there is a backlog in the drafting of these legal criteria and stated it is essential that they be included in the regulations before the next milestone comes due in order to avoid additional slippage. Although acknowledging that this can be an annual problem area in some programs because of changing funding criteria, the OE official expressed optimism that the schedule affords sufficient built-in recovery time before the real critical milestone, that is, the December 15 deadline for receipt of applications.

The investigative staff is of the opinion that calendar scheduling of contract and grant award administrative processes is a forward step for management, although in essence it is "a response to our lack of a system," as noted by one OE staff member. It is also the impression of the investigative staff that greater recognition of, and attention to, the business aspects of discretionary award procedures has evolved from the backdating situation and that some improvements have been effected, although costly and inconclusive.

### GRANTS AND CONTRACTS

Mr. FLOOD. I suppose the reason for this study is pretty obvious to you as Commissioner, and I know that you, Dr. Ottina, have been trying to improve the management of grants and contracts. What is your current assessment of this problem and have any improvements been made in the procedures for awarding grants and contracts?

Dr. OTTINA. Mr. Chairman, your committee graciously provided us with a copy of those findings. We have taken both of those reports and reviewed them, particularly the one that you are talking about, very, very carefully. We have developed, and we would like to submit to you for the record, an analysis of the issues that have been raised and our response.

Mr. FLOOD. All right.

[The information follows:]

# Analysis of Report of House Appropriations Committee Investigative Staff
November 1973

## "Awards of Contracts and Grants by the U.S. Office of Education"

### INTRODUCTION

While the report of the House Committee's Investigative Staff is thorough and clearly presented, it represents for the most part, an historical analysis of deficiencies in and problems related to the management of Office of Education contracts and grants activities. Because its report was completed almost five months ago, the Committee Staff could not include reference to the many actions that OE has initiated recently to strengthen management of these activities. For example, the November, 1973, report raises serious concern regarding the OE's failure to develop a comprehensive plan for contracts and grants management. The Office of Education has recently addressed this concern by designing and implementing an overall contracts and grants management system which encompasses all pertinent administrative activities from development of program regulations through issuance of awards. The following pages contain brief descriptions of the major elements of this system and of other pertinent management improvements implemented recently by OE. Also contained in this document is a discussion of the extent to which these elements and improvements address the concerns raised by the Investigative Staff's November report.

### Reorganization to Strengthen Management of Grants and Contracts Activities

Three structural realignments have been accomplished during the past year which have provided for more effective and efficient contracts and grants management. These are:

1. Placement of all contracts and grants-related functions within a single operational division, the Grants and Procurement Management Division: This action required relocation of three units (Forms Clearance, Regulations Staff and Application Control Center) which were not previously under the jurisdiction of this division and has enhanced the coordination of all procurement and grant-related activities.

2. Removal of unnecessary administrative layers from the OE organizational structure: Previously the management structure for grants and contracts activities consisted of the Deputy Commissioner for Management, the Office of Business Management, and the Contracts and Grants Division. The recent reorganization of the Office of Management affected the removal of the second of these elements, thus creating a direct line of administration between the Deputy Commissioner for Management and the division responsible for grants and procurement activities.

3. Removal of the Office of Regional Office Coordination and assignment of responsibility for coordinating Regional contracts and grants activities to the Grants and Procurement Management Division: This action, completed in early 1974, served to eliminate unnecessary administrative layering and to enhance communication between headquarters and regional offices.

The lack of a single administrative unit responsible for all contracts and grants activities and ineffective or non existent regional office coordination and communication were two major deficiencies identified by the Investigative Staff.

### Establishment of Regulations Office

Fully operational in Fy 1974, this office is responsible for coordinating all agency activities related to development of program regulation, funding criteria and guidelines and for managing publication of such information in the Federal Register. Centralization of all regulation - related activities [illegible] in this newly-created unit has resulted in the following improvements for management of education contract and grant awards:

A. Assurance that all education program regulation, funding criteria and guidelines, as well as all changes therein, are in fact developed and made available to the public through timely Federal Register publication;

B. Standardization of regulation, funding criteria and guidelines:

1. All such requirements published in the Federal Register must now contain legal citations, and be based on legally-mandated requirements or requirements contained in reports of congressional committee hearings.

2. Terminology as well as fiscal and administrative requirements contained in Federal Register publication has been standardized for all OE programs.

C. Provision of a central point within OE for informantion regarding regulations, funding criteria and guidelines for all OE programs.

Effective formulation and Federal Register announcement of program policy made possible through creation of the Regulations Office allows for:

1. Legalization of program and administrative policy,
2. Public comment on proposed policy,
3. Equal application of standards to all prospective applicants, and
4. Announcement of closing dates for all OE programs.

Establishment of the Regulations Office (now located within the Grants and Procurement Management Division) has resulted in improvement of many deficiencies noted in the Committee staff's November report. For example, the report criticizes the lack of a systematic method for notifying prospective applicants of funding opportunities and the lack of central point in OE where information may be obtained regarding requirements of various programs. Establishment of the Regulations Office has improved both of these deficiencies.

Other criticisms noted by the Investigative staff include the existence of unclear and vague program guidelines, short time periods allocated for filing applications and OE's changing of program requirements without public announcement. Functions presently carried out by the Regulations Staff correct these deficiencies.

## Contracts and Grants Program Scheduling

OE now has in place an effective system for scheduling and tracking all agency activities related to the award of education contracts and discretionary grants. This system, which identifies the number of individual award actions, and which utilizes calendar milestone scheduling and reporting, allows OE to plan the workload related to all phases of the award process and enables top management and program officials to track progress from the formulation and publication of regulations through receipt and review of applications to the award of the grant or contract. Top OE management engages in bi-weekly "master schedule" reviews for the purpose of assessing progress toward completion of award process and to identify, in advance, potential problems areas.

In addition to allowing for management review and control of the awards process, maintenance of the schedule has resulted in (1) full involvement of program as well as contracts and grants personnel in the planning for and management of contracts and grants activities; (2) clear identification of program and management personnel who are directly responsible for completion of work necessary for issuance of awards in each OE program; (3) clarification of actions to be completed by program as well as contracts and grants officials; and (4) allocation and, where necessary, reallocation of manpower resources to insure effective completion of award activities prior to the end of the fiscal year.

Implementation of this scheduling system has alleviated many procurement management problems which existed previously and which were noted by members of the House Committee Investigative Staff. These problems included the inability of OE's top management to properly analyze workload, non-responsiveness of OE program officials to established award processing procedures, OE's inability to identify award processing deficiencies and the fact that OE tracking systems do not take into account the total number of awards actions anticipated. Experience with the present grants and contracts scheduling system indicates that these problems have now been resolved. OE plans to utilize this system to schedule FY 1975 award activities beginning in June 1974.

## Establishment of Application Control Center

The Application Control Center(ACC) was established August 31, 1973, to track all Federal grant applications, proposals and bids and the renewals and continuations of grants and contracts, from their introduction, through the review and funding process, up to the point of award. The ACC was established pursuant to the March 19, 1973, memorandum of the Secretary, DHEW -- Subject: Processing of Education Contracts and Grants -- which specifically authorized a central management structure which can track applications, forsee and correct processing difficulties and derive management information. The ACC establishes and maintains a log to reflect the location of any and all pending applications at any time during the process prior to award.

In addition to possessing application tracking capability, the ACC notifies applicants of receipt of applications, transmits applications for regional office review and comment, informs regional offices of proposed awards and notifies unsuccessful applicants of proposal rejection and reasons therefore.

Concerns raised by the Investigative Staff which have been addressed through the establishment and operation of the ACC include the following:

1. Failure of OE to develop a comprehensive management plan for contracts and grants activities;
2. Established procedures are almost void of management control;
3. Lack of a central point in OE for information concerning the status of particular grant applications;
4. Inability of OE management to identify deficiencies in the processing and tracking of activities;
5. Lack of or incomplete award notification;
6. Lack of notification of rejection and reason (s) for rejection;and
7. Lack of coordination between headquarters and regional offices.

Standardizing and Minimizing Application Requirements

During the past year the OE has place major emphasis on development of viable and usable discretionary grant application formats. In FY 74 application forms for sixty (60) discretionary grant programs are being (57 complete) designed or redesigned to create a greater degree of standardization between and among OE program applications procedures. Forms being developed for FY 74 will require the minimum data necessary for effective program administration, and will to the extent possible, contain standard data requirements and standard terminology and definitions. This effort which is pursuant to OMB Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments, will simplify the application process for prospective grantees.

In addition to increasing standardization of application forms, the OE has included in these forms for FY 74 statements of legal funding requirements applicable to respective grant programs. Such action will insure that all applicants receive fair and equal notice of and access to applicable requirements, the lack of which was noted by the November report of the House Committee Staff.

## Issuance of Standard Discretionary Program Review Procedures

In its November, 1973 report the Staff of the House Committee identified several major dificiencies relative to the manner in which discretionary grant applications were reviewed and evaluated by the Office of Education. Among these deficiencies were a lack of communication and coordination with Regional Offices, lack of or incomplete grant award or rejection notifications, variations in the degree of field reader contact with award applicants and a lack of continuity in award review and evaluation procedures between, and among, OE programs. In addition, the Investigative Staff charged that panels of non-government experts used to evaluate grant applications were in some cases "stacked" and that OE has in some instances given "rubber stamp" approval to panel recommendations. A final major problem noted by the Staff was that OE program managers possessed the attitude that they were the sole authority in matters pertaining to the application review function.

The Office of Education has recognized these and other problems which existed due to lack of clearly defined and enforced procedures governing the grant review process. In order to provide for quality review and evaluation of and to insure that evaluation criteria are applied equally to all discretionary grant applications, the Office of Education has developed and implemented standard procedures providing mimimum requirements for review of officially received applications by respective program offices. These procedures, issued January 2, 1974, encompass the full range of program activities related to application review and selection. Specific procedures and requirements are included for critical activities such as (1) application review and documentation by non-government experts (2) development of recommendations for commitment of funds, (3) notification of award or rejections, and (4) retention of records.

In addition to insuring that all applications receive a fair and quality review, these procedures clarify responsibilities of the program manager and thereby provided a basis for more effective and efficient management of the discretionary grant review process. The new procedures provide standard minimum requirements which must be followed by all program managers in their review of grant applications. Such requirements are designed to govern selection and use of field readers, to insure review of every application by OE officials, and to prevent field reader contact with applicants prior to award issuance.

The new discretionary grant review procedures also insure effective communications and coordination with Regional Offices on matters concerning application review and grant issuance and clarify responsibilities for issuing grant award or application rejection notification.

## Utilization of Regional Director Review and Sign-Off System (RDRS)

The Regional Director Review and Sign-Off System now being used by OE is designed to bring the Regional Directors' perspective into the program evaluations which lead to funding decisions on grant applications and contract proposals. Since July 1, 1973, the date on which this system became fully operational, the OE has formulated and utilized standard procedures for gaining Regional Director's review of all potential contracts and discretionary grants and for providing regional offices advance notice of all awards.

The RDRS system not only provides a mechanism for obtaining the Regional perspective with regard to prospective awards, but also provides the Regional Offices information necessary for planning and for provision of technical assistance to applicants and grantees. Implementation of this system solves problems which previously existed due to lack of coordination and communication with Regional Offices.

## Establishment and Proposed Functional Expansion of Sole Source Board

The Sole Source Board, consisting of ten members (top OE management staff) and an Executive Secretary, was established February 7, 1972, to review, prior to commitment of funds, all proposed non-competitive contract actions in excess of $25,000 and to insure that such actions are in accordance with procurement proctice. The functions of this board are presently being expanded to cover all discretionary grant applications which are submitted to the OE outside of the normal application process. Review of such applications by the Board will help to insure fairness in the treatment of all grant applicants and also to insure that actions taken with respect to such extraordinary grant applications are fully justified. The Office of Education Sole Source Board closely resembles a "sole applicant" board that the Investigative Staff Recommended be established in OE.

## Reporting of Grant Information to States

The Report of the House Committee Staff noted that many states experience difficulty planning and coordinating education programs because they do not receive complete and timely grant award notification. Recognizing the seriousness of this problem, the Office of Education on July 13, 1973, centralized responsibility for notifying respective States and Territories of Federal grants in aid within what is now the Grant and Procurement Management Division. Centralization of this responsibility, previously vested with each OE program office, has allowed closer control of State notification activities. The Office of Education presently issues Notification of Grant-in-Aid to designated State Central Information Reception Agencies in in accordance with section 201 of the Intergovernmental Cooperation Act of 1968. All FY 1974 discretionary grant awards will be announced in this manner to respective States.

## Development of Contracts and Grants Registry System (CGRS)

In July, 1973, the Office of Education initiated development of the Contracts and Grants Registry System the purpose of which is to store and retrieve information concerning awards issued by the Office of Education. Unlike the PCIS system, which was at one time envisioned to be "all things to all people," the CGRS is a fundamental system developed, maintained and utilized by in-house personnel and capable of meeting OE's needs for basic contracts and grants-related information. The CGRS which will become operational in May 1974, and will contain data on all FY 74 contracts and grant awards, will be fed by magnetic card typewriter and will contain such data as program and appropriation identification, amount of award and vendor information.

In addition to serving as a data retrieval system, the CGRS will be used to produce by computer all official grant award documents, an activity which heretofore has required extensive secretarial effort.

## Closing Comments

While major strides have been made toward strengthening the Office of Education's management of contracts and grants activities, the task is not complete. Having instituted sound management procedures for those activities related to the solicitation, review and award of grants and contracts, attention must be and is now being focused on improvement of these procedures and on the strengthening of post-award activities. In the coming year the Office of Education plans to place major emphasis on assessment and improvement of its post-award management practices.

Dr. Ottina. In short, with the problems that are pointed out there is no disagreement. The problems exist. They are real problems. They are problems that concern us deeply, but a great deal has happened.

The committee report ended some number of months ago and many of the actions that were then in process are now completed and are in place.

Mr. Flood. Do you think the problem is a result of inadequately trained personnel or inadequate procedures?

Dr. Ottina. Yes, it is all of that. It is an agency which grew from a very small organization to one that had a very large responsibility in which the character of the responsibility dramatically changed.

They did not have personnel trained to deal with the problem nor did they have procedures to deal with either the volume or substance of what was going on. I think that in place you will find——

Mr. Flood. If you are going to prepare an analysis, make it good.

Dr. Ottina. We think it is an excellent one.

Mr. Flood. All right.

## DIFFERENCE BETWEEN GRANT AND CONTRACT

By the way, in your view what is the difference between a grant and a contract? Will somebody tell me that?

Dr. Ottina. Well, in general words a contract is an agreement——

Mr. Flood. Let me tell you. Members will stop me on the floor or in the hall and ask me, "Flood, what is the difference between a grant and a contract?"

Dr. Ottina. Let me start again with the contract. It is an agreement. It is an agreement between two parties enforceable by law that requires performance of a specific set of activities.

A grant is an aid to a grantee in which the moneys are used to accomplish a broader set of purposes set forth in a written agreement but not nearly as specific; nor in general is there a delineation of a precise product which is to be received.

In very simple words, the easiest way to talk about a grant is aid. The easiest way to talk about a contract is "buy."

Mr. Michel. Did you ever personally prefer a contract to a grant——

Dr. Ottina. Yes.

Mr. Michel [continuing]. If you were on the receiving end?

Dr. Ottina. No, sir.

## PROJECT GRANTS INFORMATION SYSTEM

Mr. Flood. During the periods of cost escalations in the development of PGIS, who made the decisions to allocate additional moneys and was there any certification that such expenditures did, in fact, buy that for which was contracted?

Dr. Ottina. Decisions to allocate additional moneys in the development of PGIS were made in the Office of Management Information until mid-1972 and then in the Office of Management Planning and Evaluation in order to correct the following system deficiencies: (1) Excessive computer run times resulting in high operating costs; (2) reluctance on the part of system users to exercise the discipline required for system input, resulting in excessive errors; and (3) as a direct result of this reluctance, many portions of the system were not utilized.

The cost escalations were based on technical advice that the efforts contracted for would bring the project to successful completion. The problems with the system were not corrected, however, and the decision was made in the Office of Management, Planning, and Evaluation to abandon the system.

Mr. FLOOD. As a result of the February 1973 meeting between OE representatives and the PGIS contractor, did the latter receive the full $249,000 allocation, or any portion thereof? If so, who certified such payment and on what basis?

Dr. OTTINA. A contract amendment in the amount of $249,000 was authorized in December 1972, by the Office of Management, Planning, and Evaluation. The amendment covered input preparation and system development activities to correct the deficiencies. The contract was further amended in April in the amount of $78,200 to cover additional input preparation and system development activities. These decisions were based on the technical advice that this effort would bring the project to successful completion. The meeting in February was to review project status and to decide whether the contractor should continue the systems development activities. The decision to continue plus the later recommendation to abandon the system was made by the Office of Management, Planning, and Evaluation. Disbursements against these obligations have been completed; the last payment was made in January 1974.

Mr. FLOOD. After spending approximately $2.2 million on the development of PGIS, what does the OE have now in the way of a management information and control system that it did not have before PGIS was conceived, designed, and developed?

Dr. OTTINA. The project grants information system has provided the Office of Education with little in the way of a management information and control system. While PGIS does contain basic information concerning fiscal year 1973 contracts and grants activities, further PGIS development and maintenance would be an extremely high risk undertaking and the costs associated with such efforts would outweigh the system's benefits to management. Therefore, the Office of Education has abandoned further development of the system.

Mr. FLOOD. What are the current plans for PGIS II and is it considered to have the potential to afford the OE an effective management tool for proposal tracking?

Dr. OTTINA. As I mentioned, the Office of Education has abandoned further development of the project grants information system. In the absence of further PGIS utilization, the Office of Education has initiated several efforts to insure proper and effective tracking of and maintenance of data regarding OE contract and grant awards. Among these efforts is the establishment of an application control center which is located within the Grants and Procurement Management Division and is responsible for monitoring the processing of grant applications from receipt, through review and screening, to issuance of awards. Maintenance of the ACC insures that each application is processed in a proper and timely manner and serves as a central point of information for OE officials and other interested parties regarding the current status of specific proposals at any time.

Another example of OE's efforts in this area is the development and implementation of the contracts and grants registry system, a basic computer system for retaining and retrieval of data on OE contracts and grant award[illegible]his system has been developed by and is being maintained by O[illegible] and will contain information on contract and grant awards beg[illegible]ng in fiscal year 1974.

### INDEPENDENCE OF PROGRAM MANAGERS

Mr. FLOOD. What is top management in OE doing to alleviate attitudinal constraints imposed on management functions by the independence of educators in the various program bureaus and offices?

Dr. OTTINA. The Office of Education has, within recent months initiated several major actions which will alleviate constraints imposed on management functions by the independence of program officials. In January 1974, OE established standard procedures providing minimum requirements for review of grant applications by respective program offices. These procedures, contained in Office of Education management directive 2–26, encompass the full range of program activities related to application review and selection and clarify the responsibilities of the program manager.

Specific procedures have also been developed concerning preparation and publication of program regulations, development and approval of grant application formats and processing of applications from receipt to award or rejection notification. These procedures are being monitored on a continual basis by OE's Grants and Procurement Management Division.

In addition, major action which has been taken to insure effective and timely performance by program as well as management officials, is the development and utilization of a comprehensive discretionary grants scheduling system. Under this system, all activities necessary to the issuance of fiscal year 1974 discretionary grant awards have been subjected to calendar milestone scheduling and are being reviewed by top management and program officials on a biweekly basis. Such scheduling and review has enabled management to insure that established procedures are followed and to identify potential problems and initiate corrective measures.

### GRANT AWARD PROCEDURES

Mr. FLOOD. From a management standpoint, was it really desirable to proceed with the development of 31 separate sets of operating procedures, rather than a single set?

Dr. OTTINA. The Office of Education has developed and is following a single set of operational procedures for the issuance of fiscal year 1974 discretionary grant awards. These procedures are contained in OE management directive 2–26, "Standard Discretionary Grant Program Review Procedures," issued January 2, 1974, and encompass the full range of grant review activities related to application screening and selection; however, the operational procedures which award applicants are required to follow vary depending upon the program in question. We have taken steps to reduce this variation where possible. For example, recent steps have been taken to standardize application terminology as well as to standardize and minimize application data requirements. Although further standardization and consolidation may be possible, it is not likely that accomplishment of a single set of application requirements will be possible as long as a variety of categorical programs exist.

### PROGRAM ANNOUNCEMENT PROCEDURES

Mr. FLOOD. Since many recipients and applicants have complained that it is sometimes difficult to obtain information on program opportunities, do you have plans to remedy this situation, and if so, how?

Dr. OTTINA. We have placed priority emphasis on improving discretionary grant program announcement procedures for fiscal year 1974. Major accomplishments in this area include not only the Federal Register publications of all such program opportunities, but the inclusion in such publications of clear and concise program requirements, application procedures and closing dates. These actions will greatly increase program application opportunities while insuring that prospective applicants are provided equal and fair opportunity to receive grant awards.

While these major improvements were made in fiscal year 1974, there remains a need to achieve earlier Federal Register announcement of program opportunities beginning in fiscal year 1975. Plans are now being developed to schedule fiscal year 1975 activities to allow for earlier announcements.

### RECOMMENDATIONS OF POTENTIAL GRANTEES

Mr. FLOOD. Is it deemed advisable by OE to permit representatives of the academic community and the ultimate recipients of grants to play a greater role in the development of guidelines?

Dr. OTTINA. The Office of Education strives continuously to comply with requirements governing publication of proposed rulemaking. By publishing proposed program regulations and funding criteria in the Federal Register OE provides all interested parties the opportunity to comment on plans formulated by Federal officials. Naturally it would be expected that some prospective grant recipients would respond to this opportunity by voicing recommendations for changes, deletions, et cetera. We feel that this is a healthy situation which is fair and benefits all concerned parties.

In cases where particular expertise is necessary in the formulation of program regulations and/or funding criteria the Office of Education utilizes the services of individual consultants or of formal advisory bodies which are created by various education statutes. In these cases, however, care is taken to prevent conflict of interest or otherwise create a situation which may give unfair advantage to a prospective grant applicant. It should be noted further, that while the Office of Education supports the concept of public comment and advice, final decisionmaking authority is vested with and is exercised by the Office of Education.

### MONITORING OF GRANTS AND CONTRACTS

Mr. FLOOD. Are any changes contemplated by the OE to improve upon the procedures utilized for the monitoring and evaluation of contract and grant projects?

Dr. OTTINA. While major emphasis in fiscal year 1974 has been placed on improving our procedures for announcing grant opportunities, processing and screening applications and issuing grant awards, problems related to monitoring funded projects have been recognized. We plan to give priority attention to strengthening project monitoring procedures in the coming fiscal year. Planning for the strengthening of these procedures has begun, but it is not possible to identify specific directions at this time. However, it appears that two initial steps are necessary—first to insure that OE's philosophy regarding monitoring activities is appropriate in view of the agency's function, and second to clarify monitoring responsibilities and standardize related procedures.

### PROGRAM EVALUATION

Mr. FLOOD. What progress, including additional plans, if any, is being made by the Office of Education to evaluate programs on a national basis to determine if they are meeting their objectives?

Dr. OTTINA. Over the last several years our evaluation studies have given primary emphasis to carrying out evaluations which are national in scope. For example, we have completed studies involving national samples of the ESEA title I program, the migrant program, the adult basic education program, the college work-study program, the developing institutions program, the special education manpower program, and the emergency school assistance program. We have many others in process including the ESEA title I program, the ESEA title III program, the vocational education basic grants program, the vocational education for the handicapped program, student aid programs, the Teacher Corps program, aid-to-States program for handicapped, et cetera.

To date OE has initiated formal evaluations on about two-thirds of its approximately 100 legislative programs. About 20 have been completed and the rest are in process. Depending upon available resources, our intention over the next 4 years is to complete the evaluations we have underway and to initiate studies on the remaining important programs.

### ADEQUATE SAFEGUARDS NEEDED

Mr. FLOOD. Do you believe the Office of Education uses adequate safeguards in its requirements and guidelines for contract and grant programs to insure that Federal funds are spent on worthwhile educational projects, and that these projects are being accomplished?

Dr. OTTINA. Inadequate safeguards in requirements and guidelines for any contract or grant program could lead to expenditures which are not, to the degree possible, in the public interest. For that reason the Office of Education strives to develop such regulations in a fashion which will prevent misuse or ineffective use of award funds, but which will allow for necessary flexibility on the part of the award recipient. To insure that regulations for fiscal year 1974 discretionary grant programs contain the proper and necessary safeguards, we instituted a practice of including statutory language, and, where appropriate, language from congressional hearings, in formal program regulations. We plan to continue assessment of our program requirements and guidelines to insure that they contain the proper degree of control.

### HEW AUDITS

Mr. FLOOD. What percentage of OE contract and grant awards receive HEW audits? Will this percentage be increased in fiscal year 1974?

Dr. OTTINA. The Office of Education received approximately 2,000 audit reports in fiscal year 1973. Since such reports oftentimes cover multiple programs and multiple fiscal years, it is difficult to arrive at a ratio of audits to awards.

While a relatively high percentage of HEW audit activities concern Office of Education programs, the percentage of Office of Education awards receiving such audits is not expected to increase significantly during fiscal year 1974.

### PREVENTING LOSS OR DISAPPEARANCE OF FILES

Mr. FLOOD. Do you have administrative procedures to prevent the loss or disappearance of contract and grant files?

Dr. OTTINA. We feel that we have adequate administrative procedures to prevent the loss or disappearance of contract and grant files. The centralization of all grant/contract related functions within the Division of Grants and Procurement Management has enabled OE contracts and grants officials to control utilization and prevent damage to or loss of these documents.

### MONITORING AND TRACKING PROCESS

Mr. FLOOD. In establishing your monitoring and tracking plan for fiscal year 1972 why did you not take into account, or at least have the bureaus and divisions take into account, the projected or expected number of awards that would be made, instead of relying on the amount of funds obligated as a measure of progress?

Dr. OTTINA. Fiscal year 1972 efforts to monitor and track Office of Education grant activities were inadequate in many respects including their failure to give proper attention to workload projection. The system presently being utilized to schedule and track fiscal year 1974 award activities takes into full account workload factors including the estimated number of awards to be made for each program. This system, which makes use of calendar milestone scheduling, and which is reviewed biweekly by top management personnel, enables management to identify potential problems and initiate necessary corrective actions.

### CHILDREN'S TELEVISION STUDY

Mr. FLOOD. The other investigative study that especially this subcommittee was very interested in—I certainly was and they all were—was the children's television study. There are several serious problems set forth in this report, as you know, and they certainly, I am sure, since you talked about analysis, will get immediate, very serious consideration.

The Office of Education now has used a variety of programs and legislative authority, of course, in the support of educational TV programs, but there appears to be all kinds of latitude covering these things, among them, among the projects, that the projects may duplicate, they overlap, sometimes they contradict each other, and so on.

Is this a problem? What can you do about it?

Dr. OTTINA. I think the specific case that you are referring to isn't related to the children's television workshop. It has always been to the best of my knowledge funded under the Cooperative Research Act. I believe the specific case that you are enumerating has to deal with another program which is also a television program and its funding.

In addition to the Cooperative Research authority, there is under the Emergency School Aid Act a specific set-aside for the production of television materials to further the cause of that aid.

Mr. FLOOD. I will insert the committee investigative report on children's television in the record at this point.

[The report follows:]

### A REPORT TO THE COMMITTEE ON APPROPRIATIONS
### U.S. HOUSE OF REPRESENTATIVES
### ON CHILDREN'S TELEVISION PROGRAMS

*September 27, 1973.*

Memorandum for the chairman.
Re: Children's television programs.

By directive dated May 21, 1973, the committee requested that a study be made of children's television programs supported by the Office of Education, Department of Health, Education, and Welfare.

In accordance with the committee's request, the results of the inquiry are included in this report.

Respectfully submitted.

L. R. KIRKPATRICK,
*Director, Surveys and Investigations Staff.*
C. R. ANDERSON,
*Chief of the Surveys and Investigations Staff.*

## I. INTRODUCTION

### *A. Directive*

By directive dated May 21, 1973, the committee requested an inquiry be made of children's television programs supported by the Office of Education to determine:

1. The total amount of support for such programs which has been provided by the Office of Education.
2. The source and amount of support provided by other Federal, public, or private agencies for those programs
3. The products or results obtained.
4. Whether the results and products are commensurate with costs incurred and if possible, a comparison of the costs of children's television programs supported by the Office of Education with commercial programs.

### *B. Scope of inquiry*

The investigative staff interviewed officials of the Office of Education responsible for the management of various activities which have supported children's television programs. Pertinent grant documents, instructions, and studies were reviewed. Interviews were conducted with officials of the Corporation for Public Broadcasting and the Public Broadcasting Service. Records and other pertinent data relating to children's programs were examined. Interviews were also conducted at and data obtained from the Federal Communications Commission.

The investigative staff interviewed officials of the following organizations: Children's Television Workshop, Maxivision Co., National Broadcasting Co., Inc., and American Broadcasting Co., New York, N.Y.; Gulf Region Educational Television Affiliates (KUHT-TV, University of Houston) and Exxon Corp., Houston, Tex.; Southwest Texas Educational Television Council (KLRN-TV, University of Texas), Austin, Tex.; Sutherland Learning Associates, Fred Calvert Productions, Oglivy and Mather, Inc., Hanna-Barbera Productions, and Community Television of Southern California (KCET-TV), Los Angeles, Calif.; and Bilingual Children's Television, Inc., and Kaiser Broadcasting Co., Oakland, Calif. Data was also obtained from Action for Children's Television, Newtonville, Mass.

### *C. Background of public television*

During January 1967, a Carnegie Commission on Educational Television conducted a study to determine the manner in which noncommercial television might be usefully developed during the years ahead. The commission was sponsored and financed by the Carnegie Corp. of New York. The commission's report recommended the formulation of a private, independent, nonprofit corporation to assist in the growth and development of public (noncommercial) television in the United States. Not long thereafter the Corporation for Public Broadcasting (Corporation) was authorized by Congress in the Public Broadcasting Act of 1967. Initial Federal funding for the corporation was provided during 1968; the designation of the corporation's first president and the formation of its staff occurred during 1969.

The corporation has a board of directors consisting of 15 members appointed by the President of the United States, by and with the advice and consent of the Senate for staggered terms of 6 years. In fiscal year 1973, the corporation received $30 million in Federally appropriated funds and an additional $5 million in Federal funds to match non Federal contributions. Resources available to the corporation from its inception through June 30, 1972, were as follows:

| | Year ended June 30— | | | |
|---|---|---|---|---|
| | 1969 | 1970 | 1971 | 1972 |
| Federal appropriation [1] | $5,000,000 | $15,000,000 | $23,000,000 | $35,000,000 |
| Federal grants and contracts | | 11,631 | 711,087 | 224,762 |
| Non-Federal contributions [2] | 2,752,970 | 1,173,450 | 5,112,735 | 5,601,340 |
| Interest earned | 206,817 | 251,252 | 234,660 | 693,936 |
| Carryover (prior year) [3] | | 1,984,986 | 2,496,100 | 3,505,998 |
| Total | 7,959,787 | 18,421,319 | 31,554,582 | 45,026,036 |

[1] Includes appropriated amount and an additional payment to match non-Federal contributions up to a specified maximum.

[2] Funds contributed by various foundations and industrial corporations.

[3] Includes unliquidated obligations.

In order to achieve its objectives; namely, to assist in the growth and development of public television, the corporation was authorized to:

"(A) facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, will be made available to noncommercial educational television or radio broadcast stations, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature;

"(B) assist in the establishment and development of one or more systems of interconnection to be used for the distribution of educational television or radio programs so that all noncommercial educational or radio broadcast stations that may wish to may broadcast the programs at times chosen by the stations;

"(C) assist in the establishment and development of one or more systems of noncommercial educational television or radio broadcast stations throughout the United States;

"(D) carry out its purposes and functions and engage in its activities in ways that will most effectively assure the maximum freedom of the noncommercial educational television or radio broadcast systems and local stations from interference with or control of program content or other activities."

Although precluded from owning or operating production facilities, the corporation does support the production, acquisition, and distribution of noncommercial (radio and television) programs. This is accomplished through contracts or grants made to production centers or workshops and public broadcasting stations. A major example of this is the support furnished Children's Television Workshop of New York, producers of "Sesame Street" and "The Electric Company."

The corporation also makes community service grants to establish, develop, or improve public broadcasting station services. These grants are made so that the stations can undertake to finance community service activities not possible within their budgets such as local program development, production and promotion, and certain personnel costs.

Grants and awards by the corporation to public radio and television stations, from inception to June 30, 1972, have totaled $76 million and include television and radio interconnection costs. For fiscal year 1973 it was estimated by a corporation official that grants, awards, and interconnection costs would total $37.3 million.

The Corporation, in pursuit of its objectives, was instrumental in the creation of both the Public Broadcasting Service (PBS) and National Public Radio, which were incorporated in 1969 and 1970 respectively. The PBS and the National Public Radio are independent, nonprofit corporations for which the Corporation has continued to provide virtually all necessary funds. Both schedule and distribute national programs to member stations, and each manages a national library for the use of all member stations.

Funds provided to the PBS by the Corporation for an interconnection system were $6.8 million in fiscal year 1971, $9.8 million in fiscal year 1972, and $9.3 million in fiscal year 1973. In fiscal year 1974 it was estimated, by a Corporation official, that the interconnection would cost $7.2 million. The interconnection system refers to the PBS network of American Telephone & Telegraph leased cable lines used for the transmission of programs to local public television stations nationwide. The PBS functions only as an operator of the system. The PBS management reports to a board of directors made up of local station representatives and a representative from both the National Educational Television and the Corporation. The PBS is thus station controlled on the theory that the interconnection system should be responsive to the local communities. The PBS obtains television programs for distribution over the system from six national production centers affiliated with the stations, from two independent national production centers, from State or regional networks, and others. Any public television station is entitled to offer its programing to the interconnection system.

The PBS system, as of June 1973, encompassed 237—94 VHF and 143 UHF—public television stations. In the aggregate, these stations constitute a fourth network; however, each station is independent and autonomous, licensed to or operated by state and municipal authorities, school systems, state boards of education, universities, and nonprofit community corporations. It has been estimated that this network reaches 75 percent of television households throughout the United States each week.

## II. MAJOR CHILDREN'S TELEVISION SERIES BROADCAST OVER THE PUBLIC BROADCASTING SERVICE

### A. *Series Supported by the Corporation for Public Broadcasting*

According to a Corporation official, four major children's series will be supported during fiscal year 1974. The series were identified as "Sesame Street," "The Electric Company," "Misterogers' Neighborhood," and "Zoom." These series, as in the past, will be broadcast over the PBS national network.

Children's Television Workshop, New York, a private, nonprofit corporation, produces "Sesame Street" and "The Electric Company."

Initial planning for "Sesame Street" occurred during March 1968. After a 21-month development cycle, the series premiered during November 1969. "Sesame Street" was the first large-scale pioneering effort to provide educational assistance to the preschool population (3-, 4-, and 5-year-old children).

"The Electric Company" development cycle employed the "Sesame Street" model of research and development and premiered during October 1971. Using an innovative and entertaining format, "The Electric Company" objective was to help to teach basic reading skills to 7- to 10-year-old children. This series was designed to appeal to both an inhome audience and to students in classrooms.

The Corporation, from fiscal year 1968 through fiscal year 1973, contributed $8,250,000 to Children's Television Workshop for the production of both series. In fiscal year 1974 the Corporation plans to provide $5 million for the production of "Sesame Street" ($3 million) and "The Electric Company" ($2 million). This contribution meets only a partial requirement of the total funds projected by Children's Television Workshop as necessary for series production in fiscal year 1974. The fiscal year 1974 projected budget is discussed in detail below under the section entitled "Series Supported by the Office of Education, Department of Health ,Education, and Welfare."

"Misterogers' Neighborhood", at the outset and for a period of time thereafter (1969–70), was produced with funds contributed by the Corporation to a consortium of public television stations and supplemented by grants from the Sears-Roebuck Foundation. Targeting an audience of 3- to 8-year-old children, it was the objective of the series to "help children to grow in a healthy way."

In 1971, the Corporation, in effect, substituted for the consortium and began funding for production through Family Communications, Inc., Pittsburgh, Pa., a nonprofit corporation.

The Corporation, from fiscal year 1969 through fiscal year 1973, contributed $1, 519,991 toward the production of this series. In addition, supplemental grants in the amounts of $900,000, $15,000, and $12,000 were contributed by the Sears-Roebuck Foundation, McFeely-Rogers Foundation, and the Scheide Fund, respectively. The estimated fiscal year 1974 budget for the production of 47 half-hour programs is $1 million. Funding would be provided by the Corporation ($650,000) and the Sears-Roebuck Foundation ($350,000).

In summary, since inception, including funding for the proposed fiscal year 1974 production, 146.5 hours (293 programs) will have been produced at a cost of $3,446,991, amounting to less than $12,000 per program. The only support for the "Misterogers' Neighborhood" series from the Office of Education was provided through the Bureau of Education for the Handicapped. In fiscal year 1972 and fiscal year 1973, there were grants of $125,000 and $250,000, respectively, to support programs or program segments involving both handicapped children and attitudinal feelings of all children through emotional and special development.

"Zoom" is produced by the WGBH Educational Foundation, Boston, Mass. Initial funding of $30,097 for a pilot program was provided by the Corporation in fiscal year 1971. Targeting an audience of 8- to 12-year-old children, it was the objective of the program to provide entertainment which would demonstrate that children of this age can write, present, and create a program of their peers.

Since the inception of "Zoom" and through fiscal year 1973, the Corporation has contributed $928,747 for production of the series. In addition, supplemental grants in the amount of $576,000 were contributed by the Ford Foundation. The estimated fiscal year 1974 budget for the production of 39 half-hour programs is $1,130,000. Funding would be provided by the Corporation ($565,000) and the McDonald Corp. ($565,000).

Altogether, including funding for the proposed fiscal year 1974 production, 43 hours (86 programs) will have been produced at a cost of $2,634,097, amounting to slightly over $30,000 per program.

### *B. Series Supported by the Office of Education, Department of Health, Education, and Welfare*

Since inception, Children's Television Workshop funding for the production of its two series has been derived from three major sources: The Office of Education, the Corporation, and philanthropic organizations, especially the Ford Foundation and the Carnegie Corp.:

*Summary of contributions (fiscal year 1968–73)*

| *Source* | *Amount contributed* |
|---|---|
| Federal: | |
| Office of Education | $18, 925, 000 |
| Other[1] | 975, 000 |
| Subtotal | 19, 900, 000 |
| Corporation for Public Broadcasting | 8, 250, 000 |

[1] "Other" Federal contributions were provided by the Office of Economic Opportunity ($950,000), National Institute of Child Health and Human Development ($15,000), and National Foundation of Arts and Humanities ($10,000).

*Summary of contributions (fiscal year 1968–73)*—Continued

| *Source* | *Amount contributed* |
|---|---|
| Private: | |
| Carnegie Corp | $3,600,000 |
| Ford Foundation | 3,538,000 |
| Other[2] | 1,215,000 |
| Subtotal | 8,353,000 |
| Grand total | 36,503,000 |

[2] "Other" private contributions were provided by the John and Mary R. Markle Foundation ($250,000), Mobil Oil Corp. ($250,000), and other miscellaneous agencies ($715,000).

The total budget for "Sesame Street" and "The Electric Company" in fiscal year 1974 was projected to be $11.5 million. It was felt this would be met through a combination of grants, broadcast contracts, and self-generated revenue. Under this budget, 130 hour-long "Sesame Street" programs and 130 half-hour-long programs of "The Electric Company" would be produced.

As mentioned previously, the Corporation is committed to allocate $5 million for the distribution and broadcast of "Sesame Street" and "The Electric Company" during fiscal year 1974. Although the Corporation will continue with the same level of support afforded during fiscal year 1973, it plans to reduce that amount considerably in fiscal year 1975 because it is felt that too large a percentage of its program dollars are being allocated to children's programs.

The Office of Education plans to reduce support to Children's Television Workshop by 50 percent from a $6 million grant in fiscal year 1973 to $3 million in fiscal year 1974. Based on commitments totaling $8 million, Children's Television Workshop visualizes a deficit which would be partly offset by self-generated income estimated at about $1 million. Since general operating support grants from the Carnegie Corp. and the Ford Foundation terminated in June 1973, Children's Television Workshop has been exploring other areas of potential revenue, including New York State contributions.

Office of Education and Children's Television Workshop officials advised it was possible that additional funds might be forthcoming from the State of New York out of its Emergency School Aid Act formula funds, and from the National Institute of Education, Department of Health, Education, and Welfare, under the Cooperative Research Act.

The investigative staff noted that the $3 million planned for allocation to Children's Television Workshop in fiscal year 1974, approved by the National Center for Educational Technology, Office of Education, was also under the Cooperative Research Act.

There have been differing opinions as to the proper vehicle for granting funds to Chidlren's Television Workshop. A National Institute of Education official interprets the Cooperative Research Act as restricting grants for the purpose of research, development, and demonstration. Since June 1972, the National Institute of Education, split off from the Office of Education but reporting to the Assistant Secretary for Education, has handled all research and development grants.

An Office of Education official advised that, although "Sesame Street" and "The Electric Company" were no longer in the research and development stage, the $3-million grant under the Cooperative Research Act would be for the purpose of supporting programing of the two series and for helping to produce 25 percent of new material to be included in the forthcoming production year (1973–74) of both series. Another official sees no inconsistency in providing funds to Children's Television Workshop under the Cooperative Research Act which, it was claimed, gives a broad mandate for awarding grants. It was pointed out by the first official that this was a problem which no one addressed at the time the National Institute of Education was established by an act of Congress. The continued funding of Children's Television Workshop under the Cooperative Research Act is carried as a line item in the Department of Health, Education, and Welfare budget to be administered by the Office of Education.

Another series, "Carrascolendas," produced at KLRN–TV, Austin, Tex., and broadcast over the PBS network, has received and will continue to receive support from the Office of Education. This project is discussed in detail under the section entitled "Bilingual Children's Television Projects."

### *C. Evaluations of series broadcast over the Public Broadcasting Service*

The PBS caused an evaluation to be made of 25 television series which were broadcast during the fall 1972 season over the national service. The series selected for evaluation consisted of cultural, educative, and public affairs programing. PBS questionnaires were sent to the program managers of stations comprising the national service. It might be well to reiterate that the stations are operated basically by school boards (20 percent), universities (30 percent), State organizations (20 percent), and communities (30 percent). An evaluation of each of the 25 series resulted from the tabulation by PBS of all accumulated responses to the questionnaire. A summary of the results relating to the children's series which were evaluated is presented below. Included are summaries of other evaluations which have been made of the children's series.

#### *"Sesame Street"*

Responses were received from 96 out of 134 stations carrying the series. The program managers' overall evaluation was outstanding. This children's educative series was ranked No. 1 out of 25. A majority of the stations reported receiving a high rate of very favorable audience response to the series. Also, local press reaction was very favorable. Almost without exception, program managers agreed that the series provided preschool children with educational nourishment and grounding in some of the skills they will need in school. This was considered to be an appropriate objective for continued broadcast over the national service. Based upon responses, it was concluded that the series reached and was appropriate for its target audience of preschool children with special emphasis on children from low-income families. "Sesame Street" was considered essential to the overall service because it is an excellent learning resource for preschoolers, as well as a quality television production.

The most repetitive type surveys, apart from the PBS evaluation, according to a Children's Television Workship official, are internal formative (operational) evaluations by a Children's Television Workshop research staff. The staff, working directly with children as they observe program segments in the studio, tabulates child reactions. The feedback is the basis for staff recommendations that programs be "reshaped" to improve educational goals during their creation.

Children's Television Workshop claims to be forever mindful of the A. C. Neilsen national audience ratings. For the 1972-73 school year, it was estimated that 10 million children watched "Sesame Street." This is an increase of 2 million over the preceding school year.

There was an external survey subcontracted for by Children's Television Workshop with Daniel Yankelovich, Inc., during 1970. This firm was commissioned to conduct studies in four ghetto communities. A report of the results showed that "Sesame Street" had a major impact among target viewers in the inner cities tested.

Two educational evaluations during 1970 and 1971, to determine if the series had met its goals and objectives, were subcontracted for by Children's Television Workshop with the Educational Testing Service, Princeton, N.J. According to these external surveys conducted over a 2-year period, "Sesame Street" had a positive educational effect among children, 3 to 5 years of age, who watched the series. Among other things, the findings indicate that disadvantaged children who regularly watched the series registered greater gains in learning than advantaged children who watched only infrequently.

Although two other studies were conducted pursuant to Office of Education grants, one dealing with "how and why it (Children's Television Workshop) works" and the other dealing with "models of television-based educational programs," there has been no Office of Education grant for an external independent educational evaluation of "Sesame Street," other than those referred to above as being subcontracted for by Children's Television Workshop. "Sesame Street" has received many awards for excellence, and a Corporation for Public Broadcasting official stated it was a major factor in contributing to the success of public television.

#### *"The Electric Company"*

PBS received responses from 96 out of 134 stations carrying the series. The program managers' overall evaluation was outstanding. Also educative in nature, the series was ranked second to "Sesame Street" out of the 25 series evaluated. Program managers felt the series met its objective of providing supplementary instruction in reading to failing readers in the 7- to-10-year-age group. A majority of the stations responding reported receiving high praise and comments on the series' usefulness for teaching reading. In this regard it was felt that the objective of the series was appropriate for continued broadcast over the national service.

Children's Television Workshop has also conducted internal formative evaluations of this series. These is also concern for the national audience ratings. For the 1972-73 school year it was estimated that 5 million children watched "The Electric Company," 3 million at home and 2 million in school.

There were two external educational evaluations conducted nationally in regard to this series: One was conducted in the fall of 1971 and the other was conducted in the spring of 1972. Children's Television Workshop subcontracted with the Center for the Study of Education, Florida State University, for the studies. The first study surveyed elementary school principals; the second study surveyed teachers.

In summary, it was found that the series utilization was remarkably high, widespread, and generally reached pupils classified as "behind grade level" in reading skills.

*"Misterogers Neighborhood"*

PBS received responses from only 64 out of 134 stations carrying this series. Low response, according to a PBS official, was due to an omission at the time the questionnaires were mailed. Although subsequently corrected, a second mailing obviously did not receive the attention it deserved. All of the responding program managers agreed that the series "helped children to grow in a healthy way" and that this was an appropriate objective for the national service. They also felt that the national service needs the series on a continuing basis. It was overwhelmingly agreed that the series reached and was appropriate for its target audience of 3- to 8-year-old children. Finally, the series was judged to be essential to the overall service because it communicates to young children in a unique manner with values that are essential for their well-being.

*"Zoom"*

PBS received responses from 95 out 132 stations carrying this series. The program managers overwhelmingly agreed that "Zoom" met the objective of providing "entertainment which would demonstrate that children of this age can write, present and create a program for their peers." Also, the objective was both appropriate for the national service and was needed on a continuing basis. It was felt that not only had the target audience been reached but the series attracted both younger and older children. "Zoom" was considered essential to the overall service because of the audience participation factor, production quality, and the age levels it addresses.

*"Carrascolendas"*

Responses were received from 34 out of 44 stations carrying this series. In their overall evaluation, the program managers considered it to be a good series. More than 50 percent of the stations reported receiving favorable responses from audiences. Local press reaction was favorable but limited. The series was judged to have met its objective, namely, "to be a supplementary medium for bilingual instruction of Mexican-American and other Spanish-speaking children; to encourage the understanding of similarities between people who speak different languages." Program managers, mainly from areas with a large Spanish-speaking population, reported the series reached its target audience of kindergarten through second grade (5- to 7-year-old children).

About 33 percent of the responding stations felt the objective and target audience make "Carrascolendas" essential to the overall service; another 33 percent considered the series useful but noted it could be essential if there were more programs in the series and if production was improved. In summary, 66 percent of the program managers felt the target audience should be served by "Carrascolendas" on a continuing basis.

## III. MAJOR CHILDREN'S TELEVISION PROJECTS

### *A. Grants under the Emergency School Aid Act*

1. *Background.*—The Emergency School Aid Act, Public Law 92-318, title VII, section 704(b)(2)(B), provides for funding of educational television projects in

which the Congress mandated that a minimum of 3 percent of funds appropriated under the act be set aside for the production of video materials. Office of Education officials advised the investigative staff that a total of $11.3 million was available for educational television in fiscal year 1973.

Section 711(b)(1) of the act provides that a program be carried out to make grants or contracts to not more than 10 public or private nonprofit agencies institutions, or organizations, to pay the cost of development and production of children's television programs of cognitive and affective educational value. Office of Education officials advised the investigative staff that, based on available funds, five grants were made in four categories: two grants for series in the bilingual/bicultural category, one grant for a series in the cognitive skills category, one grant for a series in the lifelong skills category, and one grant for spot public-service announcements. These categories are as follows:

(a) The bilingual/bicultural category calls for material focusing on approaches to assist minority-group children, from an environment in which the dominant language is other than English, in the development of reading, writing, and spoken skills in both the English language and the other language, and to instill in both minority- and nonminority-group children an understanding and appreciation for each other's history and cultural background.

(b) The cognitive skills category requires instructional television materials designed to offer successful introductory instruction at the early elementary grade levels in basic mathematic skills and concepts, initial reading, art and music, or basic science.

(c) The lifelong skills category would provide an instructional television series offering to high school youngsters instruction in areas such as good nutrition, emergency health care, childrearing practices, etc.

(d) The public-service announcements are to be 1-minute spots designed to foster knowledge, understanding, and appreciation by youngsters for different cultures and ethnic backgrounds.

2. *Application, Selection, and Award Process.*—The availability of funds for the grants was advertised by the Office of Education to all public television stations, all State education agencies, all predominantly black institutions of higher learning, and in about eight periodicals, including Broadcasting magazine and Education Television Newsletter. Beginning January 19, 1973, grant proposal solicitation brochures and a set of proposed regulations for educational television were mailed as requested. Office of Education officials advised that over 200 proposals were received. An internal review narrowed the group to about 50 proposals.

An Office of Education review panel rated the 50 proposals in accordance with a predetermined point award system, thereby identifying 5 finalists. The review panel consisted of four Office of Education employees and six non-Office of Education representatives of those minority groups which constitute the target population the act was intended to serve.

The Office of Education's aim was to have all proposals in by March 15, 1973, and to have all grants awarded by April 30, 1973. The investigative staff, while conducting its inquiry, noted that on June 28, 1973, one grantee was asked to fly to Washington, D.C., from California, to sign grant documents on June 29, 1973 (last work day in the fiscal year). In fact, all of the grant awards were made the last part of June 1973.

An Office of Education official advised the investigative staff that the reason for the delay in awarding these grants was an internal struggle on the question of additional funding to Bilingual Children's Television, Inc., one of the grantees, because of an ongoing audit. Consequently, the Office of Education decided not to award any funds until such time as all grants could be made at one time.

The investigative staff was advised that Office of Education guidelines to grantees were very strict for grant awards, requiring in some instances more control than a contract. One Office of Education official advised that these grants should have been contracts.

3. *Grantees.*—The Office of Education awarded grants to the highest rated proposal in each of the four categories. The fifth grant was awarded to the best overall proposal that was not rated the highest in its category. The following five grant awards were made with fiscal year 1973 funds for production in fiscal year 1974:

(a) Chicago Educational Television Association (WTTW-TV), Chicago, Ill., was awarded $811,878 to produce thirty 1-minute public service announcements and from which thirty 30-second liftouts are to be produced.

(*b*) Northern Virginia Educational Television Association (WNVT–TV), Annandale, Va., was awarded $1,762,298 to produce 60 half hour programs for a series of lifelong skills for minority high school students.

(*c*) Educational Development Center, Inc., Newton, Mass., was awarded $4,023,037 to produce 65 half hour programs for a cognitive skills series in early elementary school grade mathematics. Advance technology including a great deal of animation will be used in production. The Educational Development Center has received other funds totaling $401,000 relating to this effort. Grants totaling $53,700 for planning and for writing the proposal came from the John D. Rockefeller III Foundation ($13,700), the John and Mary R. Markle Foundation ($20,000), and the Sloane Foundation ($20,000). The National Science Foundation provided $147,000 for a summer workshop that brought educators and television professionals together to study the curriculum for use in the new mathematics program. The Carnegie Corp. has provided $200,000 to be used in connection with the series development.

(*d*) Southwest Texas Educational Television Council (KLRN–TV), Austin, Tex., was awarded $1,268,730 to produce 30 half hour programs for the bilingual/bicultural series, "Carasscolendas," aimed at the early elementary grade children from Spanish-speaking backgrounds. This project is discussed in detail under the "Bilingual Children's Television Projects" section of this report.

(*e*) Bilingual Children's Television, Inc., Oakland, Calif., was awarded $3,500,000 to produce 65 half hour programs for a bilingual/bicultural series aimed at children from ages 3 to 8 with Spanish-speaking backgrounds. This project discussed in detail under the section entitled "Bilingual Children's Television Programs."

### *B. Other grants*

The Rocky Mountain educational satellite demonstration project, an experiment to test the cost effectiveness and feasibility of a satellite-based media distribution system to bring better educational services to isolated and rural populations, is funded under the Cooperative Research Act. The project received grants of $557,481 in fiscal year 1972 and $5 million in fiscal year 1973. Planned funding, according to a National Institute for Education official, is estimated at $1.7 million in fiscal year 1974 and $1.6 million for fiscal year 1975. As part of this demonstration project, eighteen 1-hour filmed and 126 1-hour live programs dealing with career education aimed at junior high school students would be produced. Production costs were estimated to be $549,000 in fiscal year 1974 and $380,000 in fiscal year 1975. No programs have been produced as yet, but production is expected to start soon.

### *C. Contracts*

Sutherland Learning Associates, a private firm, presented unsolicited proposals and was awarded contracts by both the Bureau of Adult, Vocational, and Technical Education and the Office of Child Development to produce program segments for use on "Captain Kangaroo," a Columbia Broadcasting System children's program. The vocational education project produced sixteen 3-minute animated films entitled "The Kingdom of Could Be You." The project objective was to encourage career awareness and self-esteem in preschool children. The project was funded in fiscal year 1972, at a cost of $214,000. The child development project produced fifty 3½-minute program segments entitled "The Most Important Person." This series was aimed at giving preschool children a feeling of self-assurance and a greater appreciation of their own physical well-being. The subjects covered in the series included relationships, self-concepts, feelings and attitudes, nutrition, learning and communication skills, and health. The project was funded at a level of $250,000 in fiscal year 1972 and $250,000 in fiscal year 1973.

Sutherland Learning Associates, in presenting its unsolicited proposals, had a commitment from the Columbia Broadcasting System to air the segments on "Captain Kangaroo." A major factor in awarding the contracts to Sutherland Learning Associates was its success in the development and production of a children's bilingual audiovisual instructional program for the San Antonio School District. According to an official in the Office of Child Development, this was a first in that Government funds were provided to a private firm for development and production of film segments to be broadcast on a commercial network. The contract funds covered only the actual cost of production, and no profit was made by Sutherland Learning Associates under the contract. Sutherland Learning Associates officials advised the investigative staff that profit was made thereafter on the sale of the audiovisual package and the children's segments to other customers.

In connection with the segments entitled "The Kingdom of Could Be You," a separate contract was awarded to the division of vocational education, University of California at Los Angeles, to conduct an evaluation of the career awareness development in preschool children through the media of television. This contract was in the amount of $29,360 and is to be completed by September 30, 1973.

### IV. CHILDREN'S BILINGUAL TELEVISION PROJECTS

The Office of Education in the past awarded grants for three separate efforts to develop a bilingual (Spanish/English) television series for children. One of these received minimal funding and has been discontinued. Two are receiving a continuation of funding.

The initial grants to the two programs still receiving funding were under title VII of the Elementary and Secondary Education Act but continued funding is under the Emergency School Aid Act. The change in funding apparently arose after an internal question was raised regarding the legality of providing title VII funds to a local area for development of a national program.

#### A. *"3-4-5 Club"*

The "3-4-5 Club" was a project initiated by the Gulf Region Educational Television Affiliates, an auxiliary enterprise of the Universtiy of Houston, Houston, Tex. The project was designed to be biiingual (Spanish/English) and triethnic (Mexican-American/Black/Anglo). Research and planning, originally undertaken in January 1969, led to the production, in February 1970, of a 30-minute pilot program. Funds ($15,000) for the production of the pilot program were provided by the Houston Independent School District. Subsequently, the Houston Independent School District provided an additional $171,000 (summer and fall 1971) from funds received under the emergency school assistance program for the production of fifteen 30-minute experimental programs for children and 3 for adults.

During March 1972, a proposal was submitted to the Office of Education for a Cooperative Research Act study grant in the amount of $300,000. This proposal was submitted in conjunction with an offer by Exxon Corp. (Exxon) to provide matching funds. The Office of Education made a first-phase award of $300,000, and an additional $200,000 was provided by Exxon. The first phase called for the production of three prototype programs to be completed by December 31, 1972.

The Office of Education grant was made in April 1972; and, thus, the project had only 8 months to assemble a staff and produce the prototypes.

The ultimate goal, visualizing a second larger grant in fiscal year 1973, was the production of 260 30-minute programs for children and fifty-two 30-minute programs for adults, an extremely ambitious undertaking to be accomplished within 1 year after the production of the prototypes.

Numerous problems were encountered ranging from difficulties in putting together a talented staff on short notice to assuring necessary production facilities. The facilities at KUHT-TV, at the University of Houston, were marginal at best for such an undertaking.

Under the first phase, the prototypes were produced and then an evaluation was made by Development Associates, Inc., Washington, D.C. The evaluation has been interpreted both favorably and unfavorably, depending on who reads it. The Office of Education personnel termed the prototypes not at all satisfactory and a great disappointment in that the programs were not able to deal successfully with the primary goal of presenting a bilingual, triethnic setting that "works" for the program audience. Subject to special criticism was the prototype program presented for adults.

The less-than-enthusiastic review by the Office of Education of the prototype produced under the research and development grant led to the decision not to continue funding the "3-4-5 Club." Exxon, which was providing matching funds, also withdrew support at this point, based upon its review of the prototypes and the cessation of Office of Education grants. To date, the "3-4-5 Club" has been unsuccessful in locating other sources of funds for the project.

The consensus seemed to be that the "3-4-5 Club" idea was a sound one which would meet a definite need in its area but that, for whatever reason, the production just did not develop to meet its objective.

### *B. "Carrascolendas"*

"Carrascolendas" was a bilingual (Spanish/English) project initiated by the Southwest Texas Educational Television Council (KLRN–TV), Austin, Tex., a nonprofit organization. It was originally funded in fiscal year 1970. The original grant of $215,000 was used to produce 30 half-hour black and white programs. In fiscal year 1971 and fiscal year 1972, grants of $320,000 and $537,000, respectively, were awarded and used to produce thirty ½-hour color programs each year.

In summary, a total of 90 half-hour programs was produced with grants totaling $1,072,000. All funding by the Office of Education was in accordance with title VII of the Elementary and Secondary Education Act. The money was funneled through the Education Service Center, region 13, San Antonio, Tex., with KLRN–TV serving as a subcontractor for the production of "Carrascolendas."

The series was originally designed as a local-interest program, principally for the 30 counties covered by region 13. However, the interest which developed led to the second year's series being aired over the PBS in the fall of 1972 and repeated in the spring of 1973. The third production year's series will be broadcast over the PBS during the fall of 1973. A PBS program managers' evaluation of "Carrascolendas" was set forth above.

Funding for fiscal year 1973, which, incidentally, was approved by the Office of Education during the last week of June 1973 (the last week of the fiscal year), is not under title VII. It is under the Emergency School Aid Act in the amount of $1,268,730 for a "national program." KLRN–TV had made earlier inquiries about expanding the series to a national-interest program but was advised by the Office of Education that title VII funds could not be used for this purpose.

Under fiscal year 1973 grant, 30 half hour color programs would be produced. The series would reflect an expanded scope to include Puerto Rican, Cuban, and other Hispanic-American groups in addition to the Mexican-American constituency which "Carrascolendas" originally served. Consequently, the cost of production under the expanded scope will greatly increase but nonetheless, according to a KLRN–TV official, would be on a sound economic and financial basis when compared to other noncommercial educational and/or commercial children's television projects.

The University of Texas will complete construction this summer of new production facilities to be made available to KLRN–TV. These facilities will more than favorably compare with facilities existing elsewhere in the United States. A "top-flight" staff is being assembled to complement the experienced personnel who have produced the previous 90 "Carrascolendas" programs. Recruiting such a staff is one factor contributing to the increased costs of production in that it necessitates competing in a national labor market for staff talent commanding higher salaries. Other factors affecting costs include additional travel for onsite filming, meeting prevailing union labor rates at various locations, and better overall technical production.

"Carrascolendas," in the past used principally in schools as "instruction through television," was designed to alleviate language and learning difficulties common to 6-, 7-, and 8-year-old Spanish-speaking children. It takes its name from an imaginary place where residents speak both Spanish and English. Through the series, the culture, language, and heritage of the Hispanic-American are portrayed in a manner to be educational, culturally enriching, and entertaining. During the past year "Carrascolendas" won awards from the Corporation for Public Broadcasting, Ohio State University, the National Academy of Television Arts and Sciences, and the Southern Educational Communications Association.

### *C. Bilingual Children's Television, Inc.*

The Berkeley Unified School District of California, based on a proposal submitted during October 1971 (amended December 1971 and January 1972), received from the Office of Education a planning grant of $889,980 to research and develop a bilingual, bicultural children's television series for a national audience. The proposal provided that during this 6-month phase (April 1972 through October 1972), a semiautonomous organization would be set up by the Berkeley Unified School District for the purposes of planning and development. During a second 5-month phase (October 1972 through March 1973), it was proposed to set up a separate nonprofit corporation to conduct the total project operations.

This second phase was subsequently funded in the amount of $1.5 million to begin the prebroadcast operation. This grant was for the purpose of completing additional research, development, and production of five prototype films.

These two grants were under title VII of the Elementary and Secondary Education Act and were made to the Berkeley Unified School District. Some officials in the Office of Education raised the issue of the legality of using title VII funds to be disbursed to local areas for production of national projects. Consequently, it was decided that subsequent funding would be under the Emergency School Aid Act. During January 1973, Bilingual Children's Television received the guidelines for Emergency School Aid Act projects which would cover the period July 1, 1973, to June 30, 1974. It became apparent to Bilingual Children's Television that there would be a problem of funds for the project because the $1.5 million grant period was to expire March 1973. There would be a fallow period of 3 to 4 months between the expiration of one grant and the award of another grant. In this regard, a Bilingual Children's Television official met with and claimed to have been assured by high-ranking Department of Health, Education, and Welfare officials that a grant of $350,000 would be forthcoming to carry the project through June 1973. Based on this premise, Bilingual Children's Television operations were continued through April 30, 1973. As it resulted, only the performance period was extended; but no additional funds were authorized although, based on the expectation of receiving the requested $350,000, the Berkeley Unified School District proceeded to funnel these funds to Bilingual Children's Television.

In connection with the grant authorizations of $2,389,980 for the period April 6, 1972 through March 30, 1973, the Office of Education approved disbursement of the $889,980 for the first phase and an initial increment of $500,000 on the second phase. For a variety of reasons, including a dispute between Bilingual Children's Television and a New York Puerto Rican group demanding more control over the project, a widely disseminated "critical review" of Bilingual Children's Television prepared and circulated by a former associate of persons involved in the project, and the uneasiness the Department of Health, Education, and Welfare Contracts and Grants Division felt over the use of title VII funds for a national project, funding was suspended and an audit initiated in January 1973.

After initial findings of the auditors, an additional $400,000 was disbursed but the remaining $600,000 was frozen pending the final audit report. As of August 28, 1973, the investigative staff was advised that these funds would remain frozen until the final audit is completed and the grant official negotiates with the Berkeley Unified School District.

Based on grant authorizations, however, the total funds ($2,389,980), except for about $200,000 of so-called administrative or overhead expenses claimed to have been incurred by the Berkeley Unified School District, were either funneled to or expended on behalf of Bilingual Children's Television. In the opinion of the Department of Health, Education, and Welfare auditors in their draft audit report, the $200,000 claimed as overhead did not appear reasonable since the services provided by the Berkeley Unified Shcool District were considered to be minimal. The Berkeley Unified School District acted as a conduit for the transfer of funds to Bilingual Children's Television, a subcontractor. However, according to a Bilingual Children's Television official, only about half the funds went directly to Bilingual Children's Television as a subcontractor, although the other half was actually spent by the Berkeley Unified School District on behalf of Bilingual Children's Television. As it now stands, the Berkeley Unified School District is left "holding the bag" until such time as the "frozen" funds ($600,000) are released and other revenues are received. According to the Department of Health, Education, and Welfare draft report, the Berkeley Unified School District total expenditures to or for Bilingual Children's Television for the period April 6, 1972, to April 30, 1973, were estimated to be $2,742,331, or $352,351 in excess of the total grants awarded (see above regarding the $350,000 additional expended by the Berkeley Unified School District). During this period, Bilingual Children's Television produced one 45-minute orientation film consisting of a 15-minute public relations type segment and a 30-minute prepilot, one 30-minute pilot, and one 20-minute film on Mexico. It was claimed that 300 minutes of other film had been produced for possible inclusion in additional pilot programs.

The draft audit report, which received considerable publicity, raised a number of issues, including the amount of overhead charged as shown above; whether subcontracts had been appropriately approved; the unsatisfactory accounting system employed by Bilingual Children's Television; the lack of documentation for numerous expenditures; and the propriety of the initial agreement between the Berkeley Unified School District and Bilingual Children's Television. Many of the issues initially raised have been resolved through subsequent negotiations but the final audit report has not been completed and, as of August 28, 1973, its completion is not anticipated for several weeks.

Concerning the agreement between the Berkeley Unified School District and Bilingual Children's Television, this contract was entered into in April 1972 shortly before the initial award. Bilingual Children's Television is a nonprofit corporation formed in February 1972. Its president is a founder and director of the corporation and was on the payroll of the Berkeley Unified School District as project director of the Bay Area Bilingual Education League, a Berkeley Unified School District undertaking to better the education opportunities for the Spanish-speaking people. The Berkeley Unified School District contracted with Bilingual Children's Television to perform all work on the project only 11 days after the award was made, and the draft audit report states the agreement is not in accordance with the proposal. Although retroactive approval was sought during April 1972, the Office of Education did not act to approve or disapprove it.

As pointed out previously, an internal conflict in the Office of Education concerning whether or not title VII funds could be allocated to a local school district to produce a national television show further complicated the flow of funds. As a result, Bilingual Children's Television was instructed by the Office of Education to apply for subsequent funding under provisions of the Emergency School Aid Act. In this regard a panel of 10 individuals, described previously, read and evaluated the Bilingual Children's Television proposal as the best in its category. Based on this, Bilingual Children's Television was awarded $3.5 million as a continuation of funding to produce sixty-five ½-hour color television programs for children.

Based on preliminary findings of the Department of Health, Education, and Welfare auditors, the Contracts and Grants Division would not approve the award. In summary, the Contracts and Grants Division position was that the issuance of a grant to an organization—Bilingual Children's Television—which is insolvent, sorely dependent upon foundation money and corporate funding to produce, has a deficit, cannot produce a balance sheet, lacks adequate financial management, failed to perform under a prior arrangement in addition to other problems along with possibly being liable to the Office of Education for large unallowable costs can only lead to more problems and would be imprudent and not in the best interest of the Government.

In spite of the refusal by the Contracts and Grants Division to approve the award, the Commissioner of Education personally authorized that it be made under certain special terms, conditions, and safeguards.

During the investigative staff's inquiry, a Department of Health, Education, and Welfare official and two grantees knowledgeable with respect to the Bilingual Children's Television project expressed the opinion that motivation for continued funding of Bilingual Children's Television comes from high-level officials in the Department of Health, Education, and Welfare; and these officials have been impressed with the fact that Bilingual Children's Television's constituency represents a sizable block of votes in California.

After being summoned to Washington, D.C., a Bilingual Children's Television official, on June 29, 1973, signed the grant document agreeing to abide by the grant terms and conditions, the special conditions, and the grant safeguards. The grant will continue to be subject to these criteria regardless of the final audit results.

The grant was awarded subject to the following conditions. If Bilingual Children's Television fails to carry out these conditions to the satisfaction of the grants officer and the project officer within 90 days after the effective date of grant award, the grant is then terminated. No Federal funds are authorized to implement these special conditions, and Bilingual Children's Television will not be reimbursed from grant funds. Upon award of this grant Bilingual Children's Television may proceed to perform, but at its own expense and risk. If the special conditions are complied with and funds are released, all other allowable expenditures in accord with the grant terms and conditions incurred during the 90-day period will be reimbursed. The designated project officer and grants officer will be jointly responsible for determining Bilingual Children's Television's compliance with these special conditions:

1. Bilingual Children's Television will demonstrate that it has liquidated, from non-Federal funds, any deficit existing under prior grants.

2. Bilingual Children's Television will engage a public accounting firm which is a member of the American Institute of Certified Public Accountants and it will be charged with assuring and certifying that Bilingual Children's Television's accounting system is in accordance with generally accepted accounting principles and is adequate to provide all required financial and managerial data.

3. Bilingual Children's Television will hire a financial manager whose credentials have been approved by the public accounting firm.

4. Bilingual Children's Television will engage a legal firm specializing in corporate law, which firm will be charged with assuring and certifying that Bilingual Children's Television is properly structured to comply with State and Federal law and in such a manner as to follow good business procedures and preclude conflicts of interest during the grant period.

5. Bilingual Children's Television shall enter into an agreement in which a Special Bank Account is established which shall become part of the grant. The agreement shall set forth the special character of the account and the responsibilities of the bank. The bank shall be a member of the Federal Reserve System. Payments to Bilingual Children's Television from this special account will be closely supervised by the project officer, who will be required to approve all proposed withdrawals before the bank will honor them.

6. Bilingual Children's Television will agree to abide by all additional safeguards contained in a document entitled "BC–TV ESAA–TV Grant Safeguards Document."

7. Special bank account:

   *(a)* All payments made under the grant shall be made by check, payable to Bilingual Children's Television and be marked, for deposit only, in the established special bank account.

   *(b)* No part of the funds in the special bank account shall be mingled with other funds of Bilingual Children's Television prior to withdrawal thereof from the special bank account.

   *(c)* Each withdrawal shall be made only by check of Bilingual Children's Television countersigned on behalf of the Government.

8. Involvement of Spanish-speaking populations. Bilingual Children's Television will enter into formal written agreements within 90 days with Mexican-American, Cuban-American, and Puerto Rican-American populations in major areas of the United States (to include New York City, Miami, and Houston as part of the six test sites) for the purpose of identifying needed program content for these populations, providing field-test populations for developmental testing of television program segments, and to assist with the utilization of final versions of the program. Investment in the above activities (dollars to these cities) should comprise at least 10 percent but not to exceed 15 percent of the total grant.

With respect to the first step of liquidating the existing deficit, a Bilingual Children's Television official claimed to have received $175,000 from the Ford Foundation and a commitment from Exxon for about $235,000 to be applied toward the deficit. An Office of Education official advised that the other special conditions are in the process of being met and that $661,000 will be deposited in the special bank account for the first quarter of the grant period.

## V. COMPARISON OF COMMERCIAL AND PUBLIC CHILDREN'S TELEVISION PROGRAM COSTS

The investigative staff was informed that a cost comparison of children's programs produced for commercial television versus those produced for public television was not easily made. The views expressed by persons interviewed were that the quality of public-supported children's programs like "Sesame Street" was superior to commercial television's Saturday morning children's programs. Many persons interviewed stated they felt the Government was certainly "getting its money's worth" by supporting the production of noncommercial children's television programs.

### *A. Cost Comparisons*

Commercial network officials interviewed advised that a half-hour children's cartoon program costs about $65,000. This was for the average program with limited animation and the right to use the program twice with an option to purchase it, at a considerably reduced cost, for televising the next year. Limited animation is the use of fewer original drawings, thus fewer frames per second, producing jumpy movements. The investigative staff was advised that limited animation costs from $3,000 to $6,000 per minute while full animation "like Disney's" would cost $18,000 per minute. Officials of television animation studios that supply programs to the networks stated the networks normally purchase 17 programs, a series, and then repeat the series. This represents a series cost of about $1.1 million for the original 17 programs. A Federal Communications Commission (FCC) economist stated that usually each original half-hour cartoon program was viewed a total of six times over a 2-year period, with an average cost to the networks of between $10,000 and $11,000 per half-hour televised.

The investigative staff was advised by the producer of "New Zoo Review," an independent children's series using live performers instead of animation, that 65 half-hour programs televised 5 days a week for 13 weeks will cost about $1.2 million, or $18,000 per program. These programs would be repeated at least once, representing a series season cost of between $9,000 to $10,000 per half hour televised. The FCC economist advised that Columbia Broadcasting System's quality preschool daytime show, "Captain Kankaroo," shown 5 days a week, 1 hour a day, costs about $85,000 per week for production, or about $8,500 per half hour televised, using 1973 cost figures. This figure excludes certain development, overhead, and administrative costs that are sustained by the network.

A National Broadcasting Co., Inc., (NBC) official advised that the NBC network had televised quality children's programs. One, "Watch Your Child," was targeted at preschool children and involved the mothers. It was a 26-week effort televised 5 days a week, one-half hour each day. Each program cost between $9,000 and $12,000 per half hour. Another, "Take a Giant Step," was targeted at preteenagers and had to do with value judgments. Fifty 1-hour programs televised once a week cost between $20,000 and $30,000 per hour.

The cost to produce programs for public television by Children's Television Workshop in fiscal year 1973 was about $6.4 million for 130 hour-long programs of "Sesame Street" and about $7.6 million for 130 half-hour-long programs of "The Electric Company." "Sesame Street" per-program costs were about $46,000, or $23,000 per half hour; and each program is repeated six times a year, resulting in an average cost of about $4,000 per half hour televised. "The Electric Company" per program cost was about $58,500 per half hour and is repeated six times a year, resulting in an average cost of about $10,000 per half hour televised. The reason given for the higher cost of "The Electric Company" is that Children's Television Workshop uses more animation in the series. However, unlike the networks, Children's Television Workshop programs are only about 25 percent new material. Also, Children's Television Workshop includes costs other than just production in its budget for the series. Community relations and services, public affairs, research, and corporate services and overhead were $2 million of the $6.4 million for "Sesame Street" and $2.1 million of the $7.6 million for "The Electric Company."

"Misterogers Neighborhood" has cost less than $12,000 for each original half-hour program. "Zoom" half-hour programs have cost slightly over $30,000 per program, and "Carrascolendas" half-hour programs have cost less than $12,000 for each program.

### *B. Quality comparisons*

Executives of commercial, independent, and public television networks, as well as animation studio executives, advised that the quality of the children's programs presently carried on public television was excellent. However, it was pointed out that the economics of network television dictate a programing policy of trying to attract the maximum number of viewers. The audience ratings favor the cartoon programs on Saturday morning and, as a result, the networks provide cartoons. An NBC executive explained that his network has tried in the past to improve programing for children on Saturday morning, but the audience ratings dropped more than the network could stand.

Others interviewed commented on this effort by NBC and its lack of success as judged by the all-important audience ratings.

## VI. OBSERVATIONS

It is apparent that children's programs such as "Sesame Street," "The Electric Company," "Misterogers Neighborhood," "Zoom," and "Carrascolendas" and the "Captain Kangaroo" program segments of "The Kingdom of Could Be You" and

"The Most Important Person" have been widely acclaimed as being excellent productions. This excellence, in opinions expressed to the investigative staff during its inquiry, fosters the belief that the Government has received products and results commensurate with costs incurred in these efforts. However, in the opinion of the investigative staff, the Office of Education should track and thereby stay informed of the performance of grantees to insure that costs to the Government are commensurate with the products and results achieved. It appears that the Office of Education has not had a policy of consistent evaluation and auditing of efforts supported by the Government.

The Office of Education has not conducted or awarded a contract for an independent evaluation of Children's Television Workshop's series, although Children's Television Workshop has subcontracted for evaluations. The Office of Education in April 1973 undertook its first audit of Children's Television Workshop after a lapse of 5 years and the expenditure of over $18 million.

While Office of Education officials plan to make independent evaluations of the five grants awarded under the Emergency School Aid Act, as intended by the act, there is no guarantee that funds will be released for this purpose. The Office of Education is auditing Bilingual Children's Television, Inc., reacting to various complaints; but a consistent policy of auditing or management review is needed so that the Office of Education is not in the position of only reacting.

The investigative staff is of the opinion that the Office of Education should have supported independent evaluations of all Government-supported children's programs. The Office of Education, under present procedures, is neither able to state what it costs to obtain the products nor to express a relationship of product cost to the results achieved. In the absence of this ability, in the opinion of the investigative staff, an essential management tool is being ignored.

When the investigative staff interviewed private business executives in the children's television field, several responded that they would be interested in making quality children's programs for the Office of Education. To comply with existing Federal regulations, they would train representatives of minority groups, if these people were not already on the employment rolls, and, if necessary, augment a staff of research and curriculum specialists. As it now stands, the Emergency School Aid Act provides for grants to or contracts with public and nonprofit organizations only and, thereby, precludes private enterprise from submitting proposals. Considering the extremely successful contractual arrangement between the Government and Sutherland Learning Associates for the production of program segments shown on "Captain Kangaroo" (discussed above under "Major Children's Television Projects"), it is inconceivable that the Office of Education has not taken the initiative to recommend a legislative change so that well-established and highly skilled professional companies of proven ability may compete equally with public and nonprofit organizations to produce quality children's television programs.

The Cooperative Research Act was designed to provide funds for new technology research and development and follow-on support. The Emergency School Aid Act has no guarantee of follow-on support; it is just for 1 year. However, the Emergency School Aid Act is now the legislation which the Office of Education is using to support the new program efforts.

Under the Elementary and Secondary Education Act, equipment could be purchased for the production of local children's television programs. The Emergency School Aid Act does not allow for equipment purchases although the act is designed for productions which are national in scope.

Office of Education support for children's television programs has been provided under the Elementary and Secondary Education Act, the Emergency School Aid Act, the Cooperative Research Act, and other various legislation. It is the opinion of the investigative staff that the Office of Education should recommend a means whereby all children's television support would be provided from the same source of funds to assure a uniform program.

The investigative staff is of the opinion that the need for the Office of Education support in noncommercial children's television is great and that the support given is deserving. However, the investigative staff believes that the Office of Education should attempt to manage the support from one fund source and request the necessary legislative changes in this regard, which would enhance the program effort.

A representative of the "3-4-5 Club" in Houston, Tex., alleged that during the latter part of 1972, Office of Education officials probably influenced Exxon to support Bilingual Children's Television. Exxon had supported the "3-4-5 Club" project with matching grants but withdrew support at the same time funding was discontinued by the Office of Education. Coincidentally, now that the Office of Education has decided to support Bilingual Children's Television with another grant, Exxon too has shifted its support to Bilingual Children's Television.

The investigative staff was advised that Exxon was prepared to initially contribute about $235,000 to Bilingual Children's Television. It was stated that the contribution depended upon funds flowing from the Office of Education under the new grant. As of August 28, 1973, an Office of Education official advised that Exxon had only come forth with $50,000. The same official stated that, in order to avoid an apparent impasse which would preclude the flow of funds to Bilingual Children's Television, unnamed persons in the Office of Education have been in contact with and attempted to convince Exxon representatives of Bilingual Children's Television's immediate need for the total commitment.

Attempts to influence Exxon, in the opinion of the investigative staff, do not appear to be prudent actions on the part of a Government employee.

The investigative staff recently had the opportunity to interview persons engaged in Bilingual Children's Television projects, as well as to observe their actual production facilities.

Two projects, "Carrascolendas" and the "3-4-5 Club," accomplished great deal with only a minimum of Federal grants. These projects had a production "track record." Although the facilities utilized were marginal at best, it was obvious to the investigative staff that dedicated people with limited resources at their disposal had exerted immense effort to attain success. There appeared to be no question that, had additional resources and time been available to these projects, the end results would have been even more appealing, instructional, and entertaining. Additional funds would have provided the means whereby talented staffs of research specialists, script writers, educators, and so forth, could have been assembled to enhance the end result. Lack of resources also prohibited the two projects from publicizing their products.

In comparison, Bilingual Children's Television, the newest and third project, has been given much more time and has enjoyed substantial Federal funding, in fact, far greater than that which was provided to the other two projects combined. The availability of funds has provided the means whereby Bilingual Children's Television was able to recruit a talented staff which is claimed to possess extraordinary abilities. A staff of this stature was provided lavish accommodations when compared with space utilized by persons associated with the other two projects.

Publicity has been no problem for Bilingual Children's Television. In fact, during February 1973, the 45-minute orientation film featuring a 15-minute public relations type introduction by Actor Fernando Llamas was broadcast over the PBS, on a closed circuit for viewing by station managers. Based on the response to this showing, the PBS gave a commitment to run the series if and when available. The only other product of Bilingual Children's Television was a pilot film which met with Office of Education approval, a meager "track record."

Nonetheless, if Bilingual Children's Television does prove successful, the total commitment of Federal funds will not be excessive when compared to commercial ventures or when compared to Children's Television Workshop's origination and production of "Sesame Street."

In spite of the success of programs receiving Federal funds, two questions posed by an Office of Education official aptly summarize the current situation: Is it the intention to pay Hollywood prices for a product when using Federal funds? Should the Government buy a Cadillac when a Pinto can travel just as far, albeit less luxuriously?

Mr. FLOOD. What steps have been taken now to insure that the Federal Government gets a reasonable return for funds invested in these educational television programs?

Dr. OTTINA. If I may just add one sentence to your first question, yes, we do find it difficult to deal with a multiple set of authorities and that is one of the reasons in our legislative proposals we have suggested the elimination of that setaside in ESAA.

We did in the particular case, I believe you are referring to, take a number of very concrete steps which we would be pleased to provide for the record to overcome the shortcomings that were found.

Mr. Flood. All right.

### FEDERAL MONEY IN EDUCATIONAL TV

What are you doing to insure the Federal Government is getting a reasonable return for the money invested in the educational TV programs? You get a lot of argument about this.

Dr. Ottina. My recollection of the report that was provided to me from your committee is that as it addressed that question it came to the conclusion that television was an effective means and was a relatively economic means of achieving that, and that as compared with the industry at large the costs were not different.

Mr. Mattheis. Not unreasonably different. There were some which cost more and others which cost considerably less. The range was not all that out of line.

Mr. Flood. With all the arguments we have had about this now, as you know, inside and outside the profession, inside and outside the Congress, I hope they have given these Sesame Street people some kind of a medal. I guess they have.

### CHILDREN'S TELEVISION WORKSHOP FUNDING

Mr. Flood. Why were Sesame Street and The Electric Company carried as line items in the Department of Health, Education, and Welfare budget, and funded under the Cooperative Research Act? Since there are differing opinions in the National Institute of Education and the Office of Education as to the proper vehicle for granting funds to the Children's Television Workshop, producers of Sesame Street and The Electric Company, what are the Office of Education recommendations as to the proper legislation under which future funding of CTW should be handled if future support continues to be necessary?

Dr. Ottina. The idea of the Children's Television Workshop grew out of a study Joan Ganz Cooney made for the Carnegie Corp. beginning in 1966. The initial study was directed to the preschool years of the disadvantaged child. It was discovered that approximately 12 million children under 6 years of age in the United States were watching 54.1 hours of television a week. The initial study was extended to a feasibility study which attempted to prove that given adequate talent and resources, a daily hour-long educational program directed to the preschool population could successfully compete in the open television marketplace with commercial programs. In 1968, the Office of Education funded the feasibility study and later the development and demonstration of the programs. The feasibility proposal from CTW emphasized the rationale for preliminary research before developing the television format for the preschool program later titled Sesame Street. At that time the Cooperative Research Act was the appropriate legislative authority for a research activity such as this. In fiscal year 1973, Sesame Street and The Electric Company were parenthetical line items under Educational Technology Demonstrations. With the establishment of NIE, the activity "Educational Technology Demonstration," was transferred to NIE with the exception of Sesame Street and The Electric Company which remained under Office of Education administration. They were included as separate line items in the budget for the sake of clarity, and were funded under the newly amended Cooperative Research Act as exemplary demonstration projects.

In the 1975 budget, funds for CTW are included under the line item "Children's Educational Television Support" which is considered to be more broadly appropriate for this class of activity. Until and unless new legislation for children's television programing is introduced and passed, Cooperative Research Act funding is appropriate and should be continued until CTW generates enough revenue to sustain annually the high quality of their productions.

### CHILDREN'S TELEVISION AUDIT

Mr. FLOOD. Why has not the Office of Education provided funds to an independent contractor for an external evaluation of the CTW series, Sesame Street and The Electric Company? Why has the Office of Education waited 5 years, during which period over $18 million has been expended in support of CTW, before recommending an audit of CTW? What are the results to date of this audit which was undertaken about April 1973?

Dr. OTTINA. An Office of Education-contracted external evaluation of CTW had been considered during the past 3 years. A study of this type is being implemented in fiscal year 1974 by the Office of Planning and Evaluation. The study, "The Federal Role in Children's Television Programing," will not be limited to CTW but will address information the Office of Education needs to determine future policy and funding decisions. This study will require a synthesis of existing data and limited new data acquisition. Items to be considered include an estimate of market and impact analysis; an examination of program alternatives; definition of alternative Federal roles in support of children's TV programs; an examination of alternative communication formats; and identification of areas for future research and study.

Audit actions by the Department of Health, Education, and Welfare are determined on a priority need basis. The priority of the need for a special audit during the first few years of the project was lessened by the fact that there was an obvious and high quality product and one which was cost-beneficial.

The Region II Audit Agency began the CTW fiscal year 1973 audit in August 1973 with an initial completion date of September 30, 1973, now extended to June 1974. Two preliminary meetings with the Region II Audit Agency personnel have been held in Washington, D.C., with attendees from the HEW Audit Agency, Office of Education Audit Liaison, Office of Education Contracts and Grants, and the Office of Education program monitor. However, until the final audit report is in the Office of Education and comments can be made based on the report, we cannot comment on the results.

### BILINGUAL CHILDREN'S TELEVISION

Mr. FLOOD. What was the purpose of delaying all grants under the Emergency School Aid Act simply because of a question with regard to providing additional funding to one applicant?

Dr. OTTINA. The published date for awards was April 20, 1973. We wished to announce all educational television grants at the same time, so all were delayed until the questions relative to the managerial capacity of Bilingual Children's Television could be answered. If BC/TV were not funded, the next-in-rank-order applicant from that category would have been recommended for an award.

Mr. FLOOD. Why did the Commissioner of Education decide to approve the award of Emergency School Aid Act funds to BC/TV over the objections of Contract and Grant personnel? Was the Commissioner's decision politically motivated?

Dr. OTTINA. The funding decision was not politically motivated. Based on ratings by a panel of reviewers, including outside reviewers, which was selected and convened for the express purpose of evaluating all Emergency School Aid Act Television applications, the BC/TV application was rated higher than any other application received for this program, programmatically. The grant was not awarded until after actions had been taken to correct the objections of Contracts and Grants personnel, which were related to fiscal and management matters.

### PRIVATE ENTERPRISE AND CHILDREN'S TELEVISION

Mr. FLOOD. Considering the extremely successful not-for-profit contractual arrangement between the Government and Sutherland Learning Associates for the production of program segments for inclusion on the "Captain Kangaroo" series, why hasn't the Office of Education taken the initiative to recommend a legislative change to provide for private enterprise participation in the production of children's television programs?

Dr. OTTINA. Sutherland Learning Associates is a successful exception in the history of contractual arrangements between private commercial enterprise and the Office of Education.

At the present time, legislative authorities for producing children's television programs, or segments thereof, provide funds primarily for research and production support. Little monetary support has been addressed to implementation/utilization of the completed product with the exception of the Children's Television Workshop, Community Education Services Division. CES now has two major objectives: building an audience and mounting a concerted effort to assist parent groups and institutions in the use of the broadcast. One technique for meeting these objectives has been conducting workshops and orientations for parents and day care center personnel. Another technique is fostering the adoption of the broadcasts as a component within the regular educational program of appropriate community organizations. Essential to this process is familiarizing the user with the goals of the broadcast and the strategies they can employ to incorporate it effectively in an educational program. Specially prepared materials are distributed across the country to this end.

### POSSIBILITY OF DUPLICATIVE GRANTS

Mr. FLOOD. Why has the Office of Education awarded two grants for duplicative efforts in the Bilingual Children's Television field?

Dr. OTTINA. The awards are not duplicative. BC/TV's emphasis is on pre-primary and grade 1 children, while "Carrascolendas" (KLRN-TV) is directed at children in grades 1-3. Further, the basic programing approach between the two differs substantially. BC/TV uses a magazine format program, with many short, varied segments in each show. "Carrascolendas" uses a story-line format, with each program a complete episode. The differing age target groups and the presentation formats provide for a wider broadcast audience. In addition, there is an enormous need for bilingual programing.

### NO EDUCATIONAL TV LEGISLATION PROPOSED

Mr. FLOOD. What consideration has been given or what efforts have been made by the Office of Education and/or the National Institute of Education to propose necessary legislation to provide funding from another legislative source with the necessary provisions to allow reasonable and efficient production of educational television programs for children?

Dr. OTTINA. New legislation has not been proposed. There are other legislative sources for production of educational television programs for children—most notably, the Emergency School Aid Act. However, the requirements for a "Sesame Street" or "Electric Company" generally exceed the capabilities if not the authority of other legislation in terms of the steps required for good design, production, and particularly, delivery. I'd like to explain this further for the record.

[The information follows:]

For example, the following activities must be undertaken:

1. Feasibility and needs assessment for the program define the problem.
2. Preliminary formative and summative evaluation or thorough analysis of the intended program.
3. Production phase for pilots.
4. If there is support generated for the pilot, specification of the objectives and methods for production of the program or series.
5. Production and testing of prototypes.
6. Audience analysis to determine significant modifications.
7. Implementation of the program through the Public Broadcasting System, cable or any other broadcast medium available.
8. Implementation and utilization of progra[illegible] through non-broadcast avenues. At the present time there are many products on the shelf developed with Federal funds not available for intended audiences because there was never any provision made for an implementation/utilization phase of the product.

### BILINGUAL CHILDREN'S TV

Mr. FLOOD. If the "3-4-5 Club" and "Carrascolendas" had been funded at a level approaching that provided BC/TV, thereby providing the means for assembling talented staffs of research specialists, writers, educators, et cetera, would not their production have been even more appealing, instructional, and educational?

Dr. OTTINA. The 3-4-5 Club did not apply for Emergency School Aid Act Educational Television funds. Earlier experience with the program funded under title VII, Elementary and Secondary Education Act, was disappointing.

Mr. FLOOD. What effort is made by the Office of Education to assure equity in the grants made, both in the amount of funds provided and in the length of time allowed for completion?

Dr. OTTINA. Under the Emergency School Aid Act, Carrascolendas was funded for $1.268 million, although only $1.06 million was requested. The amount was increased in negotiation to permit sufficient resources to ensure program quality, since the applicant, in our opinion, had underestimated the required resources. This amount was to produce 30 programs, whereas BC/TV was awarded $3.5 million for 65 programs. BC/TV's approach, which includes more film and animation, results in higher program costs.

Mr. FLOOD. Knowing that the Berkeley Unified School District was funneling funds to Bilingual Children's Television, Inc. to produce a national television show, why were title VII funds made available for that purpose by the Office of Education when there was a question concerning the legality of using such funds for national interest program?

Dr. OTTINA. When title VII grants were made to the Berkeley Unified School District on April 6 and October 6, 1972, we were assured that all the work would be done by the grantee. It was not until late in 1972 through rumors and in January 1973 through documentation that we discovered that Bilingual Children's Television, Inc., had incorporated and was carrying out the work under a subcontract from the Berkeley Unified School District. No additional support was provided with title VII funds.

### ROLE OF FORD FOUNDATION AND EXXON

Mr. FLOOD. What is the extent to which the Ford Foundation and Exxon Corp. have supported BC/TV with actual cash payments?

Dr. OTTINA. We have heard that the Ford Foundation has contributed approximately $50,000 and that Exxon Corp. has contributed about $235,000.

Mr. FLOOD. Have any Office of Education personnel contacted Exxon Corp. on behalf of BC/TV to expedite the flow of funds from Exxon to BC/TV?

Dr. OTTINA. According to our files, Mr. Robert Filep, who was the associate commissioner for educational technology at the time, was contacted by Mr. Al Vela of Exxon Corp. during the summer of 1973 regarding Exxon funds for BC/TV and we provided Exxon with our contract and budget data for their information.

### PROMOTING COMPETITION

Mr. FLOOD. What can be done to achieve a higher degree of free and open competition among organizations applying for Federal grants and contracts?

Dr. OTTINA. We have tried to move into such a policy. We have established for every program that we administer a clear enunciation of what the program purposes are, a set of criteria which are to be judged in accordance with proposals that are submitted, a date on which applications are to be received, and we have invited for all programs that I can think of with no exceptions free and open competition.

Mr. Flood. The members have been very patient with me this morning. I haven't taken this much time in examining a witness since we set up this committee, but you can see why.

Mr. Michel?

Mr. Michel. Thank you, Mr. Chairman.

Dr. Ottina, first may I compliment you, even though we didn't get your statement in advance, for the orderly presentation that you made to us. We are going to get a shot at each one of your division heads, of course, so my line of questioning won't be as specific as it will be when we get to some of those particular areas like handicapped, higher education, and voc ed, et cetera.

### POSITIONS REDUCTION

I notice you are proposing a decrease of 470 positions. What does that mean with respect to the following sentence there where you are talking about requesting 356 authorized positions to be used to support expanded or new activities?

You are reducing 470 and asking for 356 additional?

Dr. Ottina. Yes; the net is a reduction of the difference of those two numbers or 114. What we are doing is reducing those positions with the programs that we are suggesting not to be funded or in which funding is being reduced or is being consolidated. We are asking for increased positions for those programs which are new or in which there are large increases.

The combination is a decrease of 114 positions.

### ENROLLMENT PROJECTIONS

Mr. Michel. I have read several places that by the fall of 1977, elementary education enrollment will be down as much as 1,900,000 kids. How do you crank that into your long-range planning? Do we have any long-range planning down there in the Department that gears up to that kind of a tailing off of increases and actually getting to a point now where we are going to see some daylight and decreases? What does that mean for the educational community down the road?

Dr. Ottina. We do have an organization, the National Center for Educational Statistics, which does attempt to track and project the relevant statistics, to be able to project school enrollment, birth rates, and other measures such as that.

The article that you read was in all probability based on information provided from the Center. Very recently they released some statistics which showed for the first time, I believe, this year an actual decrease in enrollments in elementary and secondary education.

The enrollment shifts are also a factor as we think about what is happening because our population is mobile so that although a national statistic may show a decrease, the problems of expanding and decreasing enrollments are greatly different from locality to locality.

We will, I am sure, find that the decreases that we are talking about are relatively small percentagewise, that the costs of providing education in the period that we are talking about due to economic factors will in all probability absorb dollar for dollar that which would be accounted for by decreased enrollments.

We can, I believe, anticipate a slowing of the cost of education, but I believe it will continue to increase in total dollars and I think we will continue to have distributional problems such as the chairman considered in an earlier question.

### READING ABILITY

Mr. MICHEL. I think I also read that between 1960 and 1970 the rate of illiteracy dropped from 1 in 45 to 1 in 100. That is progress. Do we have a long-range goal in this decade to again cut that in half or, at least, improve upon that?

Dr. OTTINA. Yes.

Mr. MICHEL. What are your thoughts?

Dr. OTTINA. Our Right to Read program has that mission as a priority and has tried to focus national attention on the problem of literacy both in school and out of school. That program has been funded for about 2 years now. This would be the third year in 1975.

Mr. MICHEL. I think I have read some other place though that that program isn't working out as well as it was envisioned. Can you puncture my statement?

Dr. OTTINA. I am not familiar with that statement. I have heard a statement that the National Center that was set up for reading did not work as well as anticipated. That is a true statement.

Mr. MICHEL. That may be it.

Dr. OTTINA. But the Right to Read effort, the Right to Read program, that we administer in the Office of Education I think has been very successful, has stimulated a great deal of attention in reading, has induced a number of States to develop reading programs, and a number of States have already shown positive gains in reading achievement.

### TEACHER TRAINING

Mr. MICHEL. You spoke in your testimony of the overabundance of teachers except in the specialized area of special education or teaching of the handicapped.

Are we adjusting to this decline in demand; is it a growing problem or a diminishing problem?

Dr. OTTINA. Within the area?

Mr. MICHEL. Didn't I read someplace that 24 percent more teachers are available today than what we really need?

Dr. OTTINA. I am not sure, Mr. Michel, that I understand. Are you talking about the overall surplus?

Mr. MICHEL. Yes.

Dr. OTTINA. Is it increasing?

Mr. MICHEL. Yes. Are we still training people to be educators or teachers with no job at the end of the line in the academic world? We are very concerned about manpower training programs. Let us train them for jobs that are available at the end of the line, and do we find academicians up in the clouds to such an extent that they still go on educating more and more to become teachers who can't eventually teach, or have we made some adjustment downward?

Dr. OTTINA. The adjustment that we made in our Federal programs I think you have already noted. We have asked that we not continue providing incentives to train more teachers except in the two areas——

Mr. MICHEL. Of course you did that at one time with the loan forgiveness feature and obviously stimulated a great many.

Dr. OTTINA. We have in those two areas asked and tried specifically to devote our resources to retraining existing teachers rather than producing new teachers to enter the field, so that we would make employable some that are unable to find jobs today.

Mr. MICHEL. Any statistics available yet or any feel for what pursuits generally most of these teachers in surplus would move to?

Mr. MUIRHEAD. I don't think we have that type of information. I think what is happening, Mr. Michel, is that the teacher training institutions are broadening the base of preparation for people that would have normally been looking toward a baccalaureate degree for teaching, so that they can move into areas other than classroom teaching.

Mr. MICHEL. If you have a shortage in teachers for the handicapped wouldn't it be natural for them to move right in there to help fill that gap?

Dr. OTTINA. That is exactly what we have been working with.

Mr. Michel, in response to your question, we can informally survey several institutions which produce the largest number of teachers and ask them for experience that would be helpful for the record.

Mr. MICHEL. Be glad to have it.

[The information follows:]

# REPORT OF SURVEY OF NINE TEACHER TRAINING INSTITUTIONS ON RESPONSE TO THE TEACHER SURPLUS

This statement reports the results of a telephone survey of a small number of teacher training institutions to determine the response of these institutions to the teacher surplus. Nine schools were selected from among the 20 schools with the largest number of students in teacher training. They were chosen to include representation of different regions and both metropolitan and non-metropolitan institutions. The following schools were interviewed:

. Arizona State University; Tempe, Arizona
. Boston University; Boston Massachusetts
. California State University at Long Beach; Long Beach, California
. Florida State University; Tallahassee, Florida
. Illinois State University; Normal Illinois
. Indiana University; Bloomington, Indiana
. Michigan State University; East Lansing, Michigan
. North Texas State University; Denton, Texas
. Temple University; Philadelphia, Pennsylvania

These nine schools account for approximately 19,000 students or only 5 percent of all teacher training students in the United States.

## Summary

In general, the results indicate that schools training large numbers of teachers and the students themselves were by now adapting to the teacher surplus in a variety of ways. Students were generally considered to be informed about the job market for teachers so that overall enrollments for teacher training are down. More students are enrolling for training in shortage areas (such as special education) and fewer in surplus areas (such as social studies). Moreover, more new graduates were taking jobs in geographic locations - rural areas and urban ghetto areas - where openings had previously been difficult to fill.

Several of the schools surveyed have raised admission standards for the education department as a means of restricting enrollments and there was a tendency to stress early classroom field experience for prospective teachers so that both the school and the student could make informed decisions as early as possible.

It must be kept clearly in mind that these conclusions were drawn from a study of only nine institutions with large numbers of students in teacher training (constituting only about 5 percent of the total teacher training students). Generalizations from these data cannot be made to the medium or smaller institutions.

The six questions asked and a summary of the responses follow.

1. Has the number of persons training to be teachers decreased over the past few years?

All the schools surveyed reported decreased enrollment in education or number of persons graduating who are eligible for certification over the past two or three years (particularly for enrollment in elementary level training). The largest drop in teachers eligible for certification reported was a 50 percent decrease in students from 1971 to 1972.

### 2. Are schools attempting to hold down enrollments in teacher education?

The decrease in enrollment at all nine schools was believed to be due in part to students' knowledge of the surplus situation. All nine schools had extensive counseling programs to inform students of the job market. Furthermore, schools were stressing classroom field experience early in the students' career, as a result many students quickly found that they were not truly interested in teaching careers.

Four of the nine schools established quotas in the form of higher admission standards for education students; the other schools found that self selection by students was sufficient to keep enrollments down. "Students behave like economic beings just like the rest of us," one dean said.

### 3. Is there a trend for graduates in teacher education to continue on for advanced degrees or to seek jobs in fields other than education?

Several of the schools did report more students going on for advanced degrees particularly in areas such as special education and guidance counseling. Three schools reported that many students were not going on for a Master's Degree because having such a degree made it more difficult to get a job--in some states schools preferred to hire BA's for less money.

Most of the schools reported more students were taking non-teaching jobs. Some were taking jobs related to teaching such as personnel training in industry, communications, etc., but many other teacher education graduates were going into fields unrelated to education. Some graduates were finding it hard to get jobs because employers felt they would go back to teaching as soon as a teaching job became available. One school reported, that because of the teacher surplus, those students who entered teacher training were, as a group, more serious about teaching than were previous classes. Consequently, a higher percentage of these students were placed in teaching jobs than had been in the past.

### 4. In what ways has the teacher education program been modified in response to the surplus?

All schools report an increase in number of preservice teachers specializing in one or more of the shortage areas - handicapped, vocational education, industrial arts, bilingual, urban, reading, early childhood education, mathematics and science.

Schools reported decreases, in many cases drastic decreases, in surplus areas such as social studies, foreign languages and English. Two schools reported a decline in interest in early childhood education courses due to lack of funding for day-care centers.

As was mentioned previously all schools had extensive counseling and job market information programs for students entering in education.

5. Are there programs for retraining certified teachers unable to find a teaching job in their initial area of training for jobs in shortage areas such as special education?

None of the schools had specific major programs of this nature. In a few cases, however, a fifth year of training is required for teachers, and in some cases, teachers used this training to gain competency in a shortage area. One school did have a summer workshop for a few credits but it did not lead to certification.

The question arose as to whether, for example, a good English teacher (a surplus area) could be readily trained to become a good mathematics teacher (a shortage area). Retraining of this sort, however, apparently was an infrequent occurrence.

6. What followup information has been collected on job status for graduating seniors with BA's in education?

According to the respondents, a higher percentage of graduates in the fields of mathematics, science, bilingual, special education, vocational education, and agricultural education are placed as teachers than graduates in social studies, foreign languages, and English. Most graduates are able to find jobs if they are willing to take jobs in rural or urban areas. Jobs in suburban area schools are scarce.

These data are based on students voluntary responses to placement office followup studies and are therefore subject to nonresponse bias. The responses appear to be consistent from school to school.

Additional information on job status of college graduates who majored in education is provided in the table presented in the next section.

## Job status of college graduates who majored in education

A separate survey of a small sample of 1971-72 college graduates conducted in October 1972 provides information on the extent to which college graduates who majored in education enter jobs other than teaching and the kinds of jobs these are. As summarized in the following table, of the 168 education majors, 41, or 24 percent, entered an occupation other than teaching after graduation from college. The largest numbers became clerical workers or managers/administrators. Next largest were sales workers and those who became professionals in fields other than teaching. An additional 28 of the graduates (17 percent) were unemployed or were not in the labor force (presumably many of these were housewives).

Because of the small number of college graduate education majors in the sample the sampling errors for the percentages reported are large.

1971-72 College Graduate Education Majors, by Occupation in October 1972

| | Number | Percent |
|---|---|---|
| Total education major graduates | 168 | 100 |
| Total employed | 140 | 83 |
| Total employed as teachers | 99 | 59 |
| Teachers, except college | 95 | 57 |
| Teachers, college/university | 4 | 2 |
| Total employed in occupation other than teaching | 41 | 24 |
| Nurses, dieticians, etc. | 1 | 1 |
| Social workers | 1 | 1 |
| Other professional/technical | 6 | 4 |
| Managers/administrators, except farm | 9 | 5 |
| Sales workers | 5 | 3 |
| Clerical | 11 | 6 |
| Service workers | 3 | 2 |
| All other | 2 | 1 |
| Occupation not reported | 3 | 2 |
| Total not employed (unemployed or not in labor force) | 28 | 17 |

NOTE: Percent detail does not add to total because of rounding.

Source: October 1972 (CPS) survey of educational and occupational status of 1971-72 college graduates

FOREIGN LANGUAGE AND AREA STUDIES

Mr. MICHEL. I notice you are requesting $10 million for foreign language and area studies and that would appear to be a little departure from budget presentations in the last several years. I am personally glad to see it.

What caused the change of attitude on the part of the folks downtown to start thinking the way we think on this subject?

Dr. OTTINA. I believe that we are beginning to increasingly recognize the contributions that this program can make to our understanding of international relations and to the production of specialists and others who can better participate in the field.

Clearly your committee has noted the world is a shrinking world and our ability must be increased to deal with other parts of this world effectively.

Dr. MARTIN. I had the good fortune of going with the State Department on tour to the Soviet Union last year and being able to examine over a few weeks their programs for handicapped people. This is part of the cultural and educational exchange agreement.

What was impressive to me was to find their governmental institute on handicapped that they had 14 American journals being translated each month in the area of handicapped alone, they knew of Jim Gallagher who, the committee will remember, was my predecessor as bureau chief, through correspondence with a number of our people; and it was interesting to us and a little bit embarrassing to realize how much we have tended to neglect what was going on in other countries and to admit that we were not familiar with their literature.

I think activities of this kind sometimes really come to our attention as we meet college people from around the world who have similar responsibilities and yet seem much more knowledgeable.

Dr. OTTINA. Their currency is amazing in terms of how close they are to what is happening now in this country, as some others of us have also had that experience.

Mr. MUIRHEAD. I think, Mr. Michel, we also ought to answer you rather straightforwardly on this by saying it is a very good example of the administration perhaps getting more wisdom as a result of the hearings we have had in the two previous years and that we now have, I think, a better understanding of how to expend this limited amount of money which in terms of our budget is really a very modest amount, but how to expend not only in support of the language and area centers which are being reduced in number but not in quality, but also in support of undergraduate programs—other ways to bring about a better understanding of the world in which we live.

Mr. MICHEL. How many centers will this budget request fund in 1975?

Mr. MUIRHEAD. About 50.

Mr. MICHEL. About 50.

Dr. OTTINA. That is the number currently in place.

Mr. MUIRHEAD. That compares with 106 that were being supported before we did start withdrawal of support under this program. So what we have done now is concentrate a limited amount of money on the maintenance of those centers of established quality, and then use some of the money for the development of other programs and also in the language area centers.

Mr. MICHEL. First I commend you for having that $10 million in there. We may have some degree of argument over the appropriate level, but it is certainly a departure from the past several years for which we are happy. I must confess I had my own eyes opened going into the subject, where normally I would have been inclined to take the same position you folks have earlier. I have come to recognize what I felt was a national resource here again that justified Federal funding.

We turn to our State universities in many cases and say they are teaching the kids in my own case in Illinois, but in some areas it is obviously a national resource because they are coming from all 50 States. I guess that is what really persuaded me and several of the members of the committee to take the position we have.

### BILINGUAL EDUCATION

The chairman touched on bilingual education and the court case. And again I am glad to see the increase here. In how many different languages are we going to have to actually be? That bilingual education program is going to be something more than Spanish and English, is it not? What is it going to be? That court case had to do with Chinese.

Dr. OTTINA. It was Chinese in this particular instance. We clearly have Spanish as the overwhelming language that is spoken as a minority language, but there is also French, Russian, Italian, many of the Slavic languages, and many, many Indian dialects. So it could be a rather large number that would need to be addressed.

Mr. MICHEL. I am not really looking for any more trouble on this end of the table, but it opens up an intriguing discussion of how far you have to go. I am sorry Mr. Conte isn't here. He, of course, is of Italian extraction and he has made the point any number of times. I come from both German and French, and I have asked what language you talk when you come to the United States and don't you have an obligation—when you come here and the land is good enough to make a home for you, do you feel the Government then has an obligation to teach foreign language. But I guess we have to face up to reality here. The problem is to give everybody an equal opportunity.

Dr. OTTINA. If I can set that particular argument aside and talk about something that I think needs to be addressed, there are large communities where young children who live in these communities speak only that one language. In my case, and it may have been true of Mr. Conte and perhaps yourself, my family did not speak English, and when I was in the house I did not speak English as a child. But when I went outside to play, English was the language of the streets, if you like. So I was introduced very early to listening to something else. We find today there are whole communities in which English is not spoken in the streets, in which their normal language of trade is something other than English. These young children when they enter school have such an abrupt adjustment to make it is truly unfair to try to teach them English and they must be reached through some other language.

## GENERAL REVENUE SHARING

Mr. MICHEL. In the area of general revenue sharing, last month the Office of Revenue Sharing released its first report on actual use of general revenue sharing funds. As the report shows, as of June 30, 1973, most revenue sharing money had been spent for education, 24 percent of it, and that State governments spent $664.3 million or 75 percent of their money on education. Would this surprise you or disappoint you? Is it what you would have expected?

Dr. OTTINA. I was pleased with it. I was surprised. I did not believe that they would devote that large a share to education.

Mr. MICHEL. Have you any feel for generally how this money is being spent? Is it mostly capital expenditures or O. & M.?

Dr. OTTINA. I have a breakdown but I am sorry I didn't bring it with me.

Mr. MICHEL. Place that in the record here for whatever comments you would care to make, and particularly if any of that is going in the area of the handicapped.

Dr. MARTIN. In at least one or two States it is. Pennsylvania, for example, made quite an investment—about $39 million in school year 1972–73.

Mr. MICHEL. And what your feel is or projection as to whether or not that level of moneys will go up as we still have several years running in general revenue sharing, or whether there will be a decline.

[The information follows:]

Of the $6.6 billion of general revenue sharing funds that were disbursed in fiscal year 1973, only 42.5 percent had been expended as of June 30, 1973. Funds are available for 24 months.

Of the amount expended:

Sixty-five percent of State funds were spent on education.

Ninety-four percent of State funds were used for operating and maintenance expenses rather than capital expenditures.

Approximately $18.5 million has been expended for libraries by local governments. All of these funds were used for operating and maintenance expenses.

Approximately $22.9 million was spent by local governmental units on capital expenditures for education. (Local governments are prohibited by law from using GRS funds for operating and maintenance expenses in the area of education.)

In the area of future GRS State expenditures on education for the handicapped, we do not have a national analysis, because the survey done by the Treasury Department did not request this information; however, we do know specifically that Pennsylvania has projected their expenditures in this field for school year 1973–74 to be $45 million for public and $2.5 million for private special education. They project the same amounts for school year 1974–75.

Mr. FLOOD. Mr. Smith.

## AVERAGE COST OF COLLEGE

Mr. SMITH. In the colloquy with the chairman you talked about institutional assistance versus student aid and approaches toward student aid, and this will make it easier to equalize this differential. To some extent it is helpful in helping to equalize the differentials and the problems between public and private students.

But also it means we have to be rather flexible with student aid because as costs go up the private institutions are probably going to have to increase tuition more than the public institutions. They don't have the other resources available. So I wondered what you are using now as an average cost for a student to attend public institutions and the average cost to attend a private institution.

Dr. OTTINA. In rough measure we are using $1,600 for 2-year, $2,400 for a public 4-year, and $4,200 for a private 4-year institution.

Mr. SMITH. What does that cover?

Dr. OTTINA. That is the cost of attendance.

Mr. MUIRHEAD. That includes all costs of attendance, including tuition, room and board, and fees.

Mr. SMITH. How much for the private schools?

Mr. MUIRHEAD. There has just come out as you know, a study provided by the College Scholarship Service, in which they have come forward with new averages for those costs. We have been using our model, if you will, for 2-year public colleges, $1,600; 4-year public institutions, $2,400; and 4-year private institutions, $4,200. Those are from the costs of education just published by the CSS and appeared in the Chronicle for Higher Education as recently as March 5.

Mr. SMITH. For the 4-year it is $2,400?

Dr. OTTINA. For the 4-year public institutions.

Mr. SMITH. And private, $4,200?

Dr. OTTINA. Yes.

Mr. SMITH. That is a difference of $1,800?

Dr. OTTINA. Yes, sir.

### STUDENT ASSISTANCE

Mr. SMITH. In the case of the student who is going to the private institution and doesn't have the public institution available, how are you proposing on an average, if he has no other income, he is going to finance that?

Mr. MUIRHEAD. Under our plan a student without any resources, which is the example you are suggesting, would obtain the full level of support under the basic grant program of $1,400. He would also receive possibly as much as $500 or $600 under the College Work-Study Program. And then we would expect that he would get, through a combination of institutional support and the guaranteed loan program, sufficient help to close the gap.

Mr. SMITH. He would have to get $2,200.

Mr. MUIRHEAD. He would have to get $2,200 in a combination of help from the institution, earning his own resources, and a guaranteed loan, which under the circumstances you have outlined, Mr. Smith, would be a subsidized guaranteed loan.

Mr. SMITH. If he can't get a guaranteed loan, like a lot of them still can't, do the institutions have all of this assistance so they can help all of these young people?

Mr. MUIRHEAD. You are quite right in pointing out that it becomes increasingly difficult for the private institutions to help close that gap because they have to use their own resources, and that in effect contributes to their pressure on raising their tuition for students who are not getting institutional aid.

Mr. SMITH. How much will there be coming into the revolving fund for direct loans?

Mr. **Muirhead.** We expect in the upcoming year it will be at the level of about $170 million.

Mr. **Smith.** I won't go into student aid in detail since we will have it later, but I wanted to get the figures ahead of time. I have been talking to a number of institutions. They are all concerned about tuition, but I think it is that they will have to depend more on tuition for support. They are really concerned about BEOG's being the primary rather than supplementary program. Everyone I have talked to thought it ought to be a supplementary program. We will go into that later.

Dr. **Ottina.** I think the basic philosophy of the law is that it is the floor program to which other things are added to make the total.

Mr. **Smith.** That is partially in the law, although it says we must fund some other things first, and it did not anticipate wiping out direct loans. Even if it were in the law and even if Congress agreed to it, I am saying the institutions don't like the idea.

Mr. **Flood.** Mr. Robinson.

Mr. **Robinson.** No questions.

Mr. **Flood.** Mr. Obey.

Mr. **Obey.** Thank you, Mr. Chairman.

### INCREASE FOR SALARIES AND EXPENSES

Doctor, you have, as I understand it, an increase of 25 percent in your OE budget for salaries and expenses..

Mr. **York.** Yes. That is made up of a number of factors. First of all we have a reduction in positions which would seem to fly in the face of a need for increase in dollars. The increase in dollars starts with the fact that we will have considerably more man-years of actual onboard effort in 1975 than we have had in 1974. So a large amount of that increase is related to in fact having people onboard and having to pay the salaries of people onboard.

In addition, we are for the first time having to pay through the General Services Administration the leasing costs of our facilities. That is something in excess of $3.5 million as I recall. So it is a combination of those two factors.

Mr. **Obey.** So the salaries and expenses are up 25 percent. The program level is what?

Dr. **Ottina.** About $6 billion.

Mr. **Obey.** The percentage adjustment is what?

Dr. **Ottina.** Over the last year?

Mr. **Obey.** Yes. Less than 1 percent?

Dr. **Ottina.** A percent or 2.

Mr. **Obey.** How do I explain to my constituents back home how salaries and expenses go up by that amount while program levels do not move up?

Mr. **York.** Mr. Obey, I think we have to look back at what has happened in Office of Education over the last 2 or 3 years. For that period OE was basically in a situation of doing no hiring whatsoever. It found itself understaffed. It was not doing any hiring. So we have built up a sizable number of vacancies in the Office of Education. This was relieved to some degree approximately last summer and there was some hiring begun in the Office of Education.

We then went into a reorganization program as you may be aware. As a part of that reorganization we agreed with the employees union, that we have to deal with, that we would put a hiatus on additional hiring to protect the requirements of employees who were going to be reassigned under the reorganization. That put us again, for a period of 4 or 5 months in a position of doing no hiring.

We have, during this period of time, built up a rather sizable number of vacancies in the organization, something in excess of 400 positions. We are moving quickly, as fast as we can. We have added 74 employees since January 20 when the reorganization was in place. We have 200 vacancy announcements that are posted at this point that we expect to fill within the next month or so. So that in fact the large increase in salary dollars will occur because we finally are going to have a lot of people onboard that we have needed all along.

Mr. OBEY. Why should I try and justify that back home, given the fact that your program level isn't going to go up? My taxpayers aren't going to be excited by the fact you have filled a lot of positions but local school districts are getting no more money.

Mr. YORK. Another factor has to do with the guaranteed student loan program and the significant increase in resources that we are adding there, which will do a number of things.

It will allow us to reduce significantly, we hope, the default rate and to bring into a better balance a significant collection effort related to that program.

Dr. OTTINA. Mr. Obey, the salaries and expenses account is a much broader and larger account than the pure administration programs. If you break down the account into its many subparts, I think you will find that some of the things we call salaries and expenses, and particularly one program that we are asking $3.5 million for is really a program that is aimed at serving the needs of the people that you are describing out there and is not an administrative cost at all, not a single penny of it. It is a program that is aimed at trying to identify and package and disseminate materials to the schools. That $3.5 million is included in this account, but again administratively or in terms of buying people or administration costs there are no dollars there.

If we look at the level of personnel over the last 3 or 4 years, for instance, you will find that the number of people is relatively a flat line and will track exceptionally well the program dollars that you are asking about.

Dr. MARTIN. I think from your constituent's point of view, speaking from my own experience as program manager in the last few years, there are a number of vacancies in deafness and speech and hearing where I have had vacancies. We haven't been able to go out and to offer the assistance either to the colleges and universities or to the State departments in student programs and so forth. We haven't been able to visit many programs.

Some of the problems we have had in the area of contracts and grants, as noted, were in part related to this inability. So I would say it may not be a fully satisfactory answer, but in all honesty many constituent groups urge us to have people who can help them. And filling these gaps will I think increase the level of service and quality of service in administering program dollars. We are on shaky ground in some programs.

## NO INFLATION ALLOWANCE FOR PROGRAMS

Mr. OBEY. That may be, but I am really trying to get at something else. The chairman talked about how inflation is mentioned all the time, yet it seems when you look at your own program levels, your program levels are not really increased enough just to cover the costs of inflation. We were told yesterday by the administration we ought to add $400 million to the money we're already giving to Vietnam because among other things they had higher costs for gasoline supplies and other things. As I look at your budget I don't see any adjustment for inflation.

I am to give a speech to the State Teachers Convention 2 weeks from now. How do I justify not taking inflation into account in your areas when we take it into account over in the Pentagon? How do you justify it?

Dr. OTTINA. That is a slightly different question than the one we were attempting to answer. Let me try to answer both of them.

I think the point I was trying to make, as I described the account, is very well illustrated on page 181 of the budget document itself. Only the first line relates to, I believe, the point you were making about personnel. If you look at that first line you will find that we are requesting 114 fewer people for approximately the same or a slight increase in dollars for program administration, than we did the prior year.

Mr. OBEY. How much have your salaries gone up in this year's budget? The salary raise?

Mr. MILLER. About 3 percent. You understand, the point being made earlier is that we have to pay 12 months of that salary in 1975 when only paying a few months in 1974.

Mr. OBEY. What I am getting at is this: You bring a budget to us which adjusts salaries of your employees by what percent?

Mr. YORK. It is not a question of increase of individual salary dollars. It is a question of our finally——

Mr. OBEY. I am not asking that. I am asking what was the salary increase average in OE in the budget?

Dr. OTTINA. Whatever the Federal schedule was.

Mr. MILLER. If it has risen in OE it is infinitesimal. It is not paying for more employees, but for salary increases legislated across-the-board.

Mr. OBEY. I want in the record here what the average salary increase for an individual employee is.

Dr. OTTINA. If I understand the question, there is a general schedule increase. That general schedule increase is approximately 5 percent.

Mr. OBEY. That is what I am asking.

My point is that local districts have that same increase, and I don't see your budget building that inflationary cost in in terms of Federal assistance. Does it?

Dr. OTTINA. It does not build as a percentage, Mr. Obey.

Mr. OBEY. There isn't any increase at all is there in elementary and secondary?

Dr. OTTINA. It varies by program. There are many programs——

Mr. OBEY. Overall?

Dr. OTTINA. There are two programs which I commented on earlier.

Mr. OBEY. I understand but the total overall dollars amount is not adjusted upward for elementary and secondary education is it?

Dr. OTTINA. No. As I mentioned earlier, it is also a program from the Federal point of view that does not broadly support education in terms of responsibilities for operations. The Federal programs are programs which in large measure are by law required to be over and above what is normally provided.

Mr. OBEY. I understand all of that. I am simply trying to make the point that I find it very difficult to explain to people why we can adjust for inflation in every Federal department for salaries and we can adjust for inflation in programs in the Department of Defense and get a very tough defense of that budget from the people in charge of those programs, but we don't see the same thing in education or in health.

Mr. MILLER. Mr. Obey, I want to underscore one point the Commissioner has made twice. If the Congress would accept our proposal and drop "B" kids under Impact Aid and change the emergency school assistance program to a smaller project grant program we would pick up those dollars in just those two programs and cover the cost of inflation in the other programs.

Mr. SMITH. Will the gentleman yield?

Mr. OBEY. Yes.

Mr. SMITH. If you are speaking of the Office of Assistant Secretary for Education, according to your statistics 1973 actual, the average GS grade was 9; it went 10.6 in 1974; and 10.9 for next year.

Dr. OTTINA. That is for the Assistant Secretary's Office, not the Office of Education.

Mr. MILLER. That is another component that will be up here later. It is a much smaller part of the education division.

Dr. OTTINA. It is 50 or 60 positions.

Mr. OBEY. I simply make the point it seems to me what you have done is that you have financed the increases in higher education by reductions overall in elementary and secondary education. I am not arguing about the impact aid program for instance. I don't think it ought to be here. I am against it. I just simply don't understand why we have to have the relatively standpat budget in elementary and secondary education when higher education seems to be doing very well in comparison.

In the past I understand it was possible to get from the Office of Education computer printouts on how much each congressional district gets for education programs under the President's budget. Is it possible for your office to start getting that information out again in that form?

Dr. OTTINA. It will be as soon as we understand what the formula for distribution of funds is in the law. We don't have at this time——

Mr. OBEY. As soon as it is authorized.

Mr. MILLER. Our office put those out. I think for the past 2 or 3 years we have only been able to do formula grants.

I don't think we are able to break down discretionary funds in the current budget. We do so for the previous year. As I understand our State tables do not provide a breakdown of discretionary funds by congressional district.

Mr. OBEY. Why?

Mr. MILLER. It is terribly difficult to estimate how funds will be distributed for fiscal year 1975. We haven't funded the applications yet so we don't know which are going to be successfully funded.

Dr. OTTINA. I think it does not vary very much from program to program. Some we can provide. Others we do not make the decision on who receives the money.

Mr. OBEY. Let me ask something else that Mr. Michel touched on.

### FOREIGN LANGUAGE AND AREA STUDIES

On page 20 you are asking $10 million for foreign language and area studies programs which focus on the training of specialists in foreign language and cultures and merit Federal support in this period of expanding relations with foreign countries. The budget for that was what last year?

Dr. OTTINA. The appropriation was $12,693,000.

Mr. OBEY. Yet you recommend cutting it $2 million.

Dr. OTTINA. You may recall, Mr. Obey, that last year our request was zero. So this represents a very big increase.

Mr. OBEY. I do. But I have difficulty squaring that fine arithmetic in your statement with an actual reduction in the program effort of $2 million.

Dr. OTTINA. But that is a dramatic shift from our previous position, Mr. Obey.

Mr. OBEY. I agree, but it is not a dramatic shift from the budget we voted.

You say there are 50 centers now?

Dr. OTTINA. There are 50, yes.

Mr. OBEY. You say there used to be 106.

Dr. OTTINA. There used to be 106.

Mr. OBEY. What year are you talking about?

Dr. OTTINA. 1972.

Mr. MUIRHEAD. That is right, prior to fiscal 1972.

Mr. OBEY. I don't know if this has been asked, but if they didn't, could you put the 50 centers in the record?

Mr. MUIRHEAD. Yes.

Mr. OBEY. I would be curious as to how that money is spread around to various institutions around the country—who has what kind of programs. If you could also break it down into the specific areas.

Mr. MUIRHEAD. Certainly. That is all available information.

[The information follows:]

*50 NDEA title VI international studies centers fiscal year 1973*

| | *Fiscal year 1973 obligation* |
|---|---|
| U.S.S.R. and East Europe (8 centers): | |
| University of California, Berkeley, Calif | $73,041 |
| Columbia University, New York, N.Y | 115,947 |
| Indiana University, Bloomington, Ind | 109,000 |
| University of Michigan, Ann Arbor, Mich | 89,500 |
| Ohio State University, Columbus, Ohio | 93,250 |
| University of Pittsburgh, Pittsburgh, Pa | 71,000 |
| University of Washington, Seattle, Wash | 99,000 |
| Yale University, New Haven, Conn | 81,248 |

*50 NDEA title VI international studies centers fiscal year 1973*—Continued

| | |
|---|---|
| Middle East (7 centers): | |
| University of California, Berkeley, Calif | 102, 000 |
| University of California, Los Angeles, Calif | 86, 500 |
| University of Chicago, Chicago, Ill | 98,500 |
| Harvard University, Cambridge, Mass | 89, 500 |
| University of Michigan, Ann Arbor, Mich | 94, 000 |
| University of Pennsylvania, Philadelphia, Pa | 106, 000 |
| Princeton University, Princeton, N.J. in cooperation with New York University, New York, N.Y | 85, 845 |
| East Asia (8 centers): | |
| University of Chicago, Chicago, Ill | 90, 477 |
| Columbia University, New York, N.Y | 119, 000 |
| Harvard University, Cambridge, Mass | 143, 000 |
| University of Michigan, Ann Arbor, Mich | 126, 500 |
| Princeton University, Princeton, N.J | 94, 000 |
| Stanford University, Stanford, Calif. in cooperation with University of California, Berkeley, Calif | 125, 000 |
| University of Washington, Seattle, Wash | 113, 250 |
| Yale University, New Haven, Conn | 115, 500 |
| South Asia (6 centers): | |
| University of California, Berkeley, Calif | 96, 498 |
| University of Chicago, Chicago, Ill | 105, 500 |
| University of Minnesota, Minneapolis, Minn | 72, 000 |
| University of Pennsylvania, Philadelphia, Pa | 106, 406 |
| University of Washington, Seattle, Wash | 75, 496 |
| University of Wisconsin, Madison, Wis | 95, 500 |
| Southeast Asia (3 centers): | |
| Cornell University, Ithaca, N.Y | 113, 489 |
| University of Michigan, Ann Arbor, Mich | 92, 430 |
| Ohio University, Athens, Ohio | 85, 000 |
| Africa (6 centers): | |
| University of California, Los Angeles, Calif | 101, 000 |
| University of Illinois, Urbana, Ill | 63, 000 |
| Indiana University, Bloomington, Ind | 96, 250 |
| Northwestern University, Evanston, Ill | 93, 250 |
| Stanford University, Stanford, Calif | 68, 500 |
| University of Wisconsin, Madison, Wis | 87, 700 |
| Latin America (6 centers): | |
| University of California, Los Angeles, Calif | 71, 000 |
| University of Florida, Gainesville, Fla | 84, 500 |
| University of New Mexico, Albuquerque, N. Mex | 72, 500 |
| University of Texas, Austin, Tex | 85, 000 |
| Tulane University, New Orelans, La | 66, 363 |
| University of Wisconsin (entire system), Madison, Wis | 83, 849 |
| Other (6 centers): | |
| Columbia University, New York, N.Y., in cooperation with City University of New York, New York, N.Y. (Western Europe) | 93, 636 |
| University of Denver, Denver, Colo. (comparative studies) | 77, 969 |
| Duke University, Durham, N.C. (Canadian studies) | 84, 500 |
| University of Hawaii, Manoa, Hawaii (Pacific Islands studies) | 76, 500 |
| Indiana University, Bloomington, Ind. (Inner Asia) | 81, 000 |
| Tufts University, Medford, Mass. (Fletcher School of Law and Diplomacy) | 89, 000 |
| Total fiscal year 1973 obligation | 4, 638, 895 |

QUALITY OF TEACHERS

Mr. OBEY. Let me just ask you a general philosophical question.

One thing that just bothers the devil out of me in education, especially in this period now of surplus teachers, is that I go to schools and see a great many good teachers and then I see some teachers who frankly—if I were a kid—would bore the hell out of me. I just don't know what we do about teacher education that will put a more stimulating person in the classroom and I just wondered if you had any suggestions in that regard.

Dr. OTTINA. The concern that you are voicing, Mr. Obey, is one that I think many of us have had, and a great deal of rhetoric has been attempted to solve that problem.

It is obviously not a simple solution. We do have a couple of programs which have tried to deal with the institutions themselves to knit the institution that produces the teacher, the employing institution, the local educational agency, and the student who will become the teacher into a closer relationship in order to, we hope, make the preparing institution more aware of what the evolving needs of the teacher are and to create a feedback loop between the employing institution and the preparing institution, through the teacher; Teacher Corps uses that model, for an example.

We have looked at different ways of certifying teaching personnel using performance-based or competency-based certification. A number of States have recently passed laws or are in the process of putting on their statutes that kind of provision.

One would also expect that with the general conditions of surplus that exist there would be a natural process of selection through supply and demand that would help solve that problem, but the answer is not easy.

Mr. OBEY. I wonder about that. I don't think this is true generally, but I think in some districts you have school superintendents or school boards, for instance, who purposely prefer to hire teachers who are somewhat less challenging, somewhat less controversial or abrasive.

Let me just tell you a story. I ran into a superintendent of schools about 3 or 4 years ago in my own district and he had the guts to tell a couple of people I knew very well, and the story got back to me and I confronted him with it, that in hiring teachers for studies he would not hire any teacher who is against the Vietnam war.

Under those conditions I would like to think that now that you have a surplus of teachers we would tend to get the brighter and more imaginative, more challenging teacher employed, but I frankly don't have that much confidence, given some of the school superintendents I have seen and given the almost desperate wish of some school boards to avoid controversy, that that will happen.

Dr. OTTINA. All I can do, Mr. Obey, is share your belief that that is a very shortsighted policy for a school board to adopt.

Mr. OBEY. What I am really trying to get at is this.

My frank impression of schools of education is that they do more to deaden than they do anything else and I don't know what you do to either bring a different kind of faculty member into those schools in the first place or to bring a different atmosphere in or stimulate a different kind of student into going there in the first place.

I don't know what you do in the way of changing curricula to make teachers more expert in the fields they are teaching.

Again, just two examples. I know this has nothing to do with the budget but it really in a way has everything to do with it. Just two instances I would cite to you.

I received a letter from somebody the other day. It was a science teacher, and it was obvious from his discussion of what we ought to do with air pollution, and strip mining, and a few other things that he didn't have the faintest idea what man's relationship was to his resource base at all.

Unless professional educators can come up with better recommendations than they have to date, most especially on how we go about teacher training, we are going to have increasingly difficult jobs in persuading people that they ought to be paying more for education.

Dr. OTTINA. Again, Mr. Obey, I can do little more than agree with you. It is not a problem that you alone hold. The problem is one that we have discussed many times. Many of the chiefs and many of the superintendents themselves, I would hope, who are in the majority rather than the one or two you mentioned who are in the minority, are themselves asking what they can do to get the kind of teacher that you have been trying to describe and have been trying to work with the institutions to develop.

Many of them have started their own programs, in a sense, to provide what you might want to call competition to the university itself to stimulate them into changing. That has had some moderate success in limited ways.

Mr. SMITH. Will you yield?

Mr. OBEY. Sure.

Mr. SMITH. Some schools have taken teachers who did not seem to be fully satisfactory as teachers and made counselors out of them. Isn't it also true, in line with what Mr. Obey is saying about teachers, that the average caliber of the counselors hasn't increased greatly, has it?

Mr. MATTHEIS. Mr. Chairman, if I may, I wouldn't want to let the total record stand really on the last couple of comments. My experience with employing teachers as a school administrator is a few years old now but I did actively employ them as a principal and teacher up to a point 8, 9, or 10 years ago and I found from my own background and experience literally that every year there was an increase in the quality and the capability of the teacher not only as an individual but I felt also in the educational program.

You are going to have exceptions with individuals that no one can excuse but I found over a 10-year period of close work in this area that the quality in fact was increasing both of the program and of the individual, with problems acknowledged in the teacher education program where they complained about the courses in the college of education, and so on, but despite that I saw them coming out more competent in their subject matter area, more competent in planning programs for students, and so on.

With regard to the counselors, I fully agree that in the early stages of counselor programs around this Nation, and I was a party to some of it, we put people into that area that should have not gone in there for all kinds of reasons, most of them not very good, but that program has professionalized over recent years and I think now we have a group of people coming out better prepared, more sensitive to the needs of students than we have had in the early years of the development of the program.

Mr. SMITH. Are you talking about students who are going to go to college, or students just going out into the world of work?

Mr. MATTHEIS. Both; as a matter of fact, including the student going into college, preparation programs for teachers. I think most of us with experience in education have seen a radical turnup in the quality of student entering teacher preparation programs. These are brighter students, more conscious of the problems of society and of young people, and I think we have been encouraged by this.

Mr. SMITH. My observation has been most of them haven't the slightest idea which factories are going to be hiring, whether they are looking for apprentice welders or what they are looking for. They can counsel them if they want to go to a State university but beyond that they just don't have enough competence.

It requires a month-to-month updating. They are not about to do it and they are not going to spend their summers out updating their information.

Dr. OTTINA. I think what we are describing here are different aspects of a very complex problem and I think, Mr. Obey, in my agreement with you on the need, as I was talking about it, what I had sensed to be most of the problem that I was trying to describe was a need to improve the teachers that are already there, some means of inservice improvement, so to speak, and some means of getting institutions to be more responsive to that aspect of it rather than the initial preparation aspect only so perhaps in my dialog with you I was too restrictive.

I think Mr. Mattheis' comments were in general more reflective of the total problem than mine.

Mr. OBEY. I began my statement by saying I didn't hold it as an indictment of all teachers certainly, but after 10 years in politics, 10 years of dealing with school people, I would like to think that there had been a marked increase in the perception, in aggressiveness, and the guts, frankly, of teachers in general in challenging kids, but I frankly can't say that has been my observation. I wish it had been.

Let me just ask a couple of other questions.

### OFFICE OF EDUCATION DECENTRALIZATION

Could you just put in the record what the administration justification is for regionalization and, for the record also, a breakdown of all direct and indirect costs for regionalization should it take effect.

I would also like to know the steps taken by the Office of Education to implement the decentralization policy from inception to date. Can you do that?

Dr. OTTINA. Yes. The second one is a little bit difficult at this stage because, as I testified earlier in response to another question, we have not a plan which we are prepared to say is the plan that we are going to implement so it would be difficult to tell you what the costs associated with that plan are.

I can give you an estimate or in a general sense describe it.

Mr. OBEY. All right, but can't you put in the record what steps you have taken to date?

Dr. OTTINA. Yes, sir, certainly and the costs attendant to those.

[The information follows:]

*Administration's justification for regionalization.*—Decentralization is the work of building a network of channels to State and local government agencies, educational institutions, and people served by the Office of Education. Through these channels, program authorities and resources flow to the HEW regional offices strengthening their capability to administer Federal education priorities. The movement of authority and staff to the 10 regional offices gives the Office of Education the ability to respond quickly and accurately to the educational communities' needs for financial and technical assistance.

As the Federal role in American education has grown tremendously, program services provided through the regional offices have increased substantially. For over a decade the Office of Education has administered a number of its program responsibilities through regional offices in a manner consistent with the language and requirements of authorizing legislation. Currently a field staff of more than 700 administers decentralized programs in the areas of elementary and secondary education, adult and occupational education and postsecondary education. Today the complexity of Federal programs in and of itself practically requires regional offices as means to accomplish our national educational objectives.

### COST

The major costs of decentralization are the transfer of people and equipment to the regional offices. It is very difficult at this time to give an accurate cost for two reasons. The first is that a decision at the Secretary's level has not been made on any of the programs USOE proposed for decentralization. Second, the USOE proposal as revised in September 1973 assumed continuation of all categorical programs and did not analyze decentralization in the context of the consolidated education grants proposal. To date, manpower requirements in connection with decentralization have not been fully analyzed regarding cost.

*Steps taken to implement decentralization policy from its inception to date.*—In March 1973 Secretary Weinberger directed USOE to prepare an extensive and comprehensive proposal for continued decentralization. The objective was to review all programs to (a) determine their suitability for regional administration, (b) identify the specific functions and authorities suited for decentralization, and (c) provide a rationale for centralized management where programs are inappropriate for decentralization.

The USOE decentralization proposal was submitted to the Department in May 1973 and revised in September 1973. This plan was resubmitted in response to a preliminary review by the Department.

The major additions to the plan were:

1. Delegation of authority and OPS-type implementation plans or rationale for continued centralized administration for programs included in the House 1974 allowance that were not in the President's budget request
2. Inclusion of delegation of authority letters for programs already decentralized.
3. Procedures for allocation of funds to regions where no State allocation exists in law.
4. Responses to specific questions raised in the preliminary review and revised rationale for some of the programs proposed for continued centralized administration.

The revised plan added budget details regarding implementation, as well as planning schedules describing major action-steps and setting completion dates. After the revised plan was submitted, a manpower survey was conducted to review staffing estimates previously made in the decentralization proposal for programs identified as HEW priorities for transfer to the regions.

The results of these initial analyses are now being used as a basis for decentralization planning in light of the education grants proposal as outlined in the fiscal year 1975 proposal before you.

### STUDENT AID

Mr. OBEY. Also your budget eliminates money for direct loans, supplementary education opportunity grants, and a curtailment of work study. In light of your statement on page 18 or your reference, anyway, to middle and upper income families—that is not the page but you mentioned somewhere.

Dr. OTTINA. I think we were talking about guaranteed student loans in that context.

Mr. OBEY. Yes: you were talking about the ability of middle- and low-income people to finance their education.

What data do you have to indicate that the BOG's program and the insured loan program would in fact meet the financial needs of students in postsecondary education?

Dr. OTTINA. As you are aware, Mr. Obey, our experience with the BOG's program is limited to date. The first year of operation is the year that we are currently in. It was limited to full-time freshmen only and it was funded at a very modest level so that it did not in any measure provide for the base of support that would be required.

The projection that we are indicating here and the request is based on an amount which would allow the maximum under the law to be awarded which would be the $1,400, as you know.

Mr. OBEY. Assuming we meet the full amount in BOG's, give you every dime you want for BOG's, what percentage of student aid needs across the country, the gap between what they have and what they need to go to school, would we be meeting if we did that, if we followed your recommendations to a "T."

Mr. MUIRHEAD. I think we would have to supplement the answer a little bit, Congressman, by saying that the $1.3 billion for BOG's would also bring along with it the $250 million we are asking for college work-study and the $1 billion——

Mr. OBEY. I understand. I know what the figures are. I am just interested in knowing what the total percentage of the need is that we would meet if we followed your recommendations to a "T." Is it a half? Is it a third? Is it 60 percent? What is it? You must have a guess.

Mr. MUIRHEAD. We have a guess and in the Commissioner's statement he did indicate that we would be providing assistance in varying degrees to 2.5 million students projected against an enrollment of perhaps 9 million.

Dr. OTTINA. If I understand you, Mr. Obey——

Mr. OBEY. I am saying if you take the total pool of need which every kid who wants to go to college in the country has, take what he needs to go to college and what he is going to get, what is the gap? We are talking about the ideal world here. That is the only figure I am after. I don't want any other figures.

Dr. OTTINA. I was going to see if you would accept something that I think would be more accurate but maybe not quite what you asked for.

We do obtain from each of the institutions that participate in the institutionally based programs a figure of need. That figure of need is reduced percentagewise to match the appropriation. If we take that figure of need nationally and use that to make the projection that you requested, I think that would give you a more valid projection.

Mr. OBEY. That is fine.

[The information follows:]

There is no accurate measure of total need for student assistance at the present time; however, we do have the institutions' requests for funds for student assistance in the campus-based programs. The best available measure of the amount of funds needed by students in these programs is the amount of funding recommended by the regional panels. Each institution submits its request for funds to the appropriate regional office. That request details costs for all needy students at the institution and deducts from those costs all pertinent resources—such as the expected parental contribution, the expected students' contribution, and the anticipated amounts of basic grants, guaranteed loans, State scholarships, et cetera, to be received by these students. The difference between the needy students' costs and the sum of all their other anticipated resources is the maximum, after adjustment is made for permissible administrative expenses, that can be requested through the institutionally based programs. Many institutions request less than this maximum (perhaps because of lack of "matching" funds or perhaps because of their own perceptions as to the size of program they can administer responsibly).

Applications for academic year 1974–75 are still being processed, and the figures on the gross amounts requested by the institutions and recommended by the regional panels are still being refined. The preliminary returns show, however, that the gross amount requested by the institutions was $2.2 billion; of this gross request only $1.9 billion represented a request for additional Federal funds. The difference between these two figures represents a variety of sources of funds—institutional "matching" contributions, repayments made to national direct student loan funds at the institutions by former borrowers, cash carryovers, et cetera.

Of the $1.9 billion in new Federal funds requested by the institutions, the regional panels judged that $1.5 billion will be needed for the institutionally based programs. As you are of course aware, the 1974 appropriation for the national direct student loan, college work-study, and supplemental educational opportunity grant programs will be used to fund this recommended amount. No institutional application which would relate to any funds appropriated for 1975 has yet been received.

Mr. OBEY. Just one other question.

### BOG FORMS AND INCOME TAX RETURNS

Mrs. Green asked Secretary Weinberger when he was here a couple of weeks ago whether or not in fact anybody who applied for BOG's was required to authorize OE to review their income tax returns.

Dr. OTTINA. We know of no such case.

Mr. OBEY. You don't.

Dr. OTTINA. To review their income tax returns.

Mr. OBEY. What I am saying is simply this: I think, for the record, you ought to outline what is on the BOG form in that regard, what a person is letting himself in for if he does sign that form. Then I would ask you, do you really think that requirement ought to be there?

Dr. OTTINA. I would like to answer the question, sir, in the context of 2 years because the form was altered between the 2 years that we are talking about. We did change the language and the present form which will be used for the new applicants for the academic year upcoming is a quite different language so for the record I would like to supply both.

Mr. FLOOD. Why don't we have the original language and then show the change.

Dr. OTTINA. Yes.

[The information follows:]

From 1973–74 application form:

We certify that we have read this application and that it is accurate and complete to the best of our knowledge. We authorize the U.S. Com-

> **missioner of Education, or his representative, to obtain from the District Director of Internal Revenue with whom it was filed, a copy of the 1972 Federal income tax return upon which the computation of expected family contribution is based in order to verify the foregoing statement. We further agree to provide, if requested, any other documentation necessary to verify information reported on this form.**

From 1974–75 application form:

> **We certify that we have read this application and that it is accurate and complete to the best of our knowledge. We agree to provide, if requested, any documentation, including a copy of our 1973 Federal income tax return, necessary to verify information reported on this form. I understand that the results of the eligibility calculation may be released upon request to appropriate State student financial aid agencies.**

Mr. OBEY. What is the policy under the new language?

Mr. MUIRHEAD. I think we should get that on the record right now; that is, under the policy we are following now we will not be empowered to go to IRS to get anybody's income tax return. The language says to the parent who signs it, "If we have reason to question this information that you have we would like to have the information that you gave IRS."

But we would go back to the parent to ask for that information. There is no authority whatsoever for us to make any request to IRS.

Mr. OBEY. So what you are saying is, if you think there is some irregularity you write the parent back and you say, "May we have permission to go to IRS?"

Mr. MUIRHEAD. No. We write the parent back and say, "Can you provide additional information and if you need to, send us a duplicate of the information you provided IRS, do so."

Mr. FLOOD. If the gentleman will yield, within the last week or 10 days I had precisely that kind of thing, based upon the gentleman's question and based upon your answers, especially what you just said, Scotty, now, in writing. They were very satisfied.

Dr. OTTINA. We did drastically modify our policy, Mr. Obey.

Mr. OBEY. If you did I think that is fine. That is all, Mr. Chairman. Thank you.

### NUMBER OF SCHOOL DISTRICTS

Mr. MICHEL. Something that intrigues me is the reported continuing decline in the number of local school districts—from 111,383 in 1943–44 to 19,339 in 1968–69 and then on down to 16,514 in 1972–73. Do you expect this trend to continue?

Dr. OTTINA. The number of school systems in the U.S. declined from 111,383 in 1943–44 to 20,440 in 1968–69. There were further decreases to 16,956 in 1972–73 and 16,698 in 1973–74. While some further decreases are to be expected, particularly in some Midwestern States with many school districts, the rate of decline will be much less rapid than in the 1950's and 1960's.

### TITLE I COMPARABILITY REQUIREMENT

Mr. MICHEL. I want to ask you, too, about "comparability" in the title I programs. Am I correct in my understanding that school districts have to spend "comparable" State and local funds in all schools before adding the extra compensatory Federal money, as a means of ensuring that the Federal funds are actually used to buy additional services?

Where are you now in implementing "comparability" and what problems have you run into along the way? Haven't you had some real trouble in working out with the States the kind of data, bookkeeping, that is required to show "comparability"?

Dr. OTTINA. First of all, it should be understood that there is a twofold standard of comparability which each title I school is required to meet. Each such school must have a ratio of children to instructional staff of not more than 5 percent in excess of the corresponding ratio for all non-title I schools of the same grade level and an expenditure per pupil for such staff equal to at least 95 percent of the corresponding expenditures for all non-title I schools.

The comparability regulations were revised in June 1973 to provide fewer and simpler criteria. With the full implementation of those regulations on October 1, 1973, relatively few problems were encountered. Our most recent information based on reports from the State educational agencies indicates that only 44 local school districts have failed to demonstrate the comparability of their title I schools.

### PROBLEMS OF MIDDLE-INCOME COLLEGE STUDENTS

Mr. MICHEL. We're seeing more and more articles these days and getting more and more letters from parents and students about the escalating costs of higher education, and the problems students are having in financing their educations. Middle-class families appear to be really "frozen-out" of grants, loans and scholarships. What can you tell us about what you are doing to deal with these kinds of problems?

Dr. OTTINA. The three college-based programs, college work-study, supplemental educational opportunity grants, and national direct student loans, provide funds to eligible students with specific types of financial need as broadly defined by the law, that is, "greatest financial need," "exceptional financial need," or "financial need". The funds in turn are provided to students who in the judgment of the institutional financial aid officer have the requisite type of need. In actual practice, these decisions have apparently had this impact. In CWS, 30 percent of the funds have gone to students whose families have adjusted incomes of between $7,500 and $14,999, whereas 4 percent of the funds have gone to the $15,000 and over category; in SEOG, 15 percent of the funds are provided in the $7,500–$14,999 category, and less than 1 percent to the $15,000 and over category; and in NDSL 37 percent of the funds go to the $7,500–$14,999 category, and 7 percent to the $15,000 and over category.

The guaranteed student loan program is for all eligible students who can show financial need beyond BEOG and the family contribution. About 49 percent of these loans go to the adjusted income bracket between $7,500 and $14,999 while 19 percent go to the over $15,000 bracket.

The basic educational opportunity grant program, by its nature as an entitlement program, is not meant to be a middle-class impact student assistance program. Instead, it is designed to bring every eligible student up to what might be considered "middle-income" levels as pertaining to student assistance moneys. While the program impacts on families whose incomes might be considered "middle-income," they are generally families with several children and whose income could not be considered "middle-income" when compared to other families with the same family income but with only one child of school age.

We are taking steps to increase lender participation in the guaranteed student loan program and have submitted proposed legislation which should provide additional funds for students from middle-income families. In addition, the expansion of the Student Loan Marketing Association in its purchasing and warehousing of loan paper will provide additional funds for lenders for purposes of student loans.

I want to add that the figures I used are from an OE–ACE sponsored study entitled "The Impact of OE Student Assistance Programs," fall 1973. $7,500 adjusted family income would be roughly equivalent to a gross income of about $11,700; $7,500–$14,999 in adjusted income would thus be equated with a gross income range of between $11,700–$20,000.

### FOLLOW THROUGH PROGRAM

Mr. CONTE. When and how did the Office of Education decide Follow Through was an experimental or demonstration program? Did you consult the authorizing committee?

Dr. OTTINA. When the legislation for Follow Through was being planned, it was anticipated that the program would be a "Follow Through" primarily for Head Start children and would also be a service program like Head Start and that Follow Through would be allocated approximately $120 million. When the first-year allocation for Follow Through in fiscal year 1968 turned out to be only $15 million, it was decided that the best use of the limited moneys would be to make the program a research and development one which would still focus on low-income children but would seek to find the best ways of educating these children.

Budget justifications submitted to the Congress for the program have indicated that it is a research and development program.

Mr. CONTE. Last year you inserted in the record of the hearings some preliminary evaluation results. One of these showed that Follow Through's effect improves with each succeeding entering class. For the record, will you provide as full a report of that evaluation study as is now available.

[The information follows:]

We can provide the following synopsis: Follow Through is an experimental program designed to investigate a variety of approaches to increase the achievement of disadvantaged children in kindergarten through third grade. Twenty-two different educational models are being developed and tested, most at several sites. Each model is designed and monitored by a sponsoring group, such as a university or an educational research laboratory, and is implemented by means of a grant to a local educational agency.

A national evaluation designed by USOE is collecting data in 86 projects to assess ten of the models, as well as measure the effects of the Follow Through experience on those disadvantaged children with and without Head Start.

Though there are 170 local projects and approximately 90,000 students in Follow Through, not all are included in the national evaluation. Additional evaluative evidence is provided by model's sponsors and by local school districts.

The ultimate effectiveness of Follow Through will be determined by the degree to which it has fostered development of successful approaches to early childhood education of disadvantaged children. While it is too early to draw final conclusions, the evaluation evidence does suggest that some models are more effective than others. The magnitude of the effects, their stability over time and their consistency under different conditions are still being studied.

The national evaluation is designed primarily to identify which approaches are successful in producing educationally significant gains in areas such as cognitive achievement, achievement motivation, self-esteem and locus-of-control (that is, feelings of competence about one's ability to influence important events in his life). The national evaluation is longitudinal and involves four entering classes, called cohorts, of children. In general, children are tested as they enter school (either kindergarten or first grade), at some intermediate points, and when they leave the program at the end of the third grade. The following chart shows the progression of children involved in the evaluation through the grades by cohort and by school year.

| | School year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1969–70 | 1970–71 | 1971–72 | 1972–73 | 1973–74 | 1974–75 | 1975–76 |
| Cohort 1 | K | 1 | 2 | 3 | | | |
| | 1 | 2 | 2 | | | | |
| Cohort 2 | K | 1 | 2 | 3 | | | |
| | | 1 | 2 | 3 | | | |
| Cohort 3 | | | K | 1 | 2 | 3 | |
| | | | 1 | 2 | 3 | | |
| Cohort 4 | | | | K | 1 | 2 | 3 |
| | | | | 1 | 2 | 3 | |

As can be seen in the foregoing chart, only a few children have graduated from the program to date.

For technical reasons, the best cohort for judging model effectiveness is cohort 3, which completed the first year of Follow Through in spring of 1972. The results can only be interpreted as suggestive because the only data which have been analyzed for this group are the scores at the end of the first year in school. The results show that there is substantial variation among models with respect to the various outcome measures. The findings are summarized in the table below. The first column shows the number of models for which Follow Through children score better than non-Follow Through comparison children to a degree that is educationally significant. The second column shows the number of models for which comparison children do better than Follow Through children and the third column shows the number of models for which the differences do not appear to be educationally significant.

Summary of 1-Yr Effects for Cohort 3

| Measure | FT better than NFT | NFT better than FT | No significant difference between FT and NFT |
|---|---|---|---|
| Wide range achievement test | 4 | 0 | 6 |
| MAT [1] listening | 2 | 1 | 7 |
| MAT reading | 4 | 1 | 5 |
| MAT numbers | 4 | 2 | 4 |
| Achievement motivation | 8 | 1 | 1 |
| Locus of control I | 1 | 1 | 8 |
| Locus of control II | 3 | 0 | 7 |
| Absenteeism | 2 | 0 | 8 |

[1] Metropolitan achievement test.

The pattern of effects may change as children progress through school. For example, the models which have shown positive effects on cognitive skills after the first year generally stress early academic achievement. Other models, which have a more noncognitive emphasis in kindergarten, may produce positive effects at a later time. Conclusions about the effectiveness of various models in the national evaluation will be based upon the results of cohort 3 after third grade with supplemental information from other cohorts.

Surveys of both parents and teachers suggest that communities have positive regard for Follow Through programs. Follow Through parents report a higher degree of involvement in school and community affairs than do non-Follow Through parents. In addition, Follow Through teachers indicate satisfaction with the methods offered by Follow Through. Findings are mixed with regard to how important teachers view the parents' role in the education of the child. For the most part, the above findings of positive parent and teacher effects are relatively stable across the first three cohorts.

It is emphasized that the above statements are not conclusive, but they suggest a trend to be examined over time. Stronger evidence on the effects of Follow Through will be forthcoming over the next few years as more cohorts of children complete the program and data from all sources are analyzed.

A report giving the foregoing results and others will soon be available from the Office of Education.

## COOPERATIVE EDUCATION

Mr. CONTE. What kinds of businesses are participating in the cooperative education program?

Dr. OTTINA. Every type of business endeavor including such areas as banking, retailing, advertising, public relations, publishing, marketing, transportation, and communications.

Mr. CONTE. Do you know if there is any significant participation on the part of small business?

Dr. OTTINA. Yes; hundreds of small businesses located in every State in the Union are participating in cooperative education programs currently being sponsored by more than 800 postsecondary colleges, universities, and vocational institutions.

## VETERANS

Mr. CONTE. On page 56, the justification indicates that changes are being considered in the way veteran's educational allowances are treated in considering eligibility and level of award under the BEOG program. What changes are you making?

Dr. OTTINA. As you may be aware, the law requires that we consider such indicators of financial strength as the income and assets of the family in the Family Contribution Schedule. Another factor to be considered is the "effective income of the student" which is defined by law to be any amount paid to or on behalf of a student either under the Social Security Act which would not be paid if he were not a student and one-half of any amount of educational benefits paid through the Veterans' Administration. For the 1973–74 academic year, the amount of these benefits are included as a 100 percent contribution in the calculation of the "expected family contribution."

There are, however, a number of modifications in the formula which will be used during the 1974–75 academic year. One of these revisions has to do with the treatment of effective income of the student.

For the 1974–75 academic year, in those cases where the allowable deductions from income, Federal taxes, living expenses, unusual expenses and employment expenses, exceed the family income, a deduction is made from the effective income of the student to offset this negative amount.

### VETERANS' COST-OF-INSTRUCTION PROGRAM

Mr. CONTE. Why does this long-overdue move preclude institutional assistance such as cost-of-instruction grants?

Dr. OTTINA. This change in the treatment of veterans' benefits in the determination of eligibility and level of award for a basic grant is consistent with the administration's policy of continuing to concentrate funds directly to students, including veterans, to assist them in pursuing a post-secondary education. The veteran will receive more direct benefit through educational allowances paid directly to him rather than services which might be provided by the institution. The priority therefore is to continue to increase direct aid to the veteran and not the institution.

Mr. CONTE. One of the other reasons given for not requesting cost-of-instruction funds is that the program "rewards those institutions that have done the least for veterans in the past" * * * Isn't the point of the program to get those institutions to do more?

Mr. OTTINA. Yes; in part. However, the 10 percent growth factor in veteran enrollment required for participation, has tended to make it more difficult for the school that has recruited and educated veterans to become eligible. I would reiterate that the program gives inadequate recognition to past or present efforts of institutions to recruit veterans, and in some instances penalizes those that have made extensive efforts.

Mr. CONTE. What can you tell us about the kinds of couseling and tutorial programs that have been carried out under this program?

Mr. OTTINA. The veterans' cost-of-instruction program was first funded this year. Most institutions did not fully develop the required services until after the beginning of the academic year in September. We will not collect our first report of operations until after the close of the fiscal year. Information on institutional services for veterans should be available before September 1, of this year.

Mr. CONTE. Do you have any information on such programs in institutions that have not gotten cost-of-instruction awards?

Mr. OTTINA. No; not really. We do know that all educational counseling has improved significantly in recent years with the professionalization of counseling. However, we have had little reason to collect such data from this group of nonparticipating schools.

### VETERANS ENROLLMENT

Mr. CONTE. Do you have data on the numbers of Vietnam veterans enrolled in institutions of different kinds—private universities, public, community colleges, and so forth?

Mr. OTTINA. Yes; we do for the last full academic year—1973. I would like to provide that for the record.

[The information follows:]

Of the veterans enrolled in higher education:

Public institutions—75 percent:
  - 35 percent community colleges.
  - 40 percent State colleges and universities.

Private institutions—25 percent:
  - 5 percent independent colleges.
  - 20 percent private universities.

### WORK-STUDY

Mr. CONTE. Last year when we looked at the work-study program, Dr. Marland promised a study of job opportunities for students outside of the program. Was it done?

Dr. OTTINA. An evaluation of the college work-study program was conducted by the Bureau of Applied Social Research of Columbia University in 1971. Since the report dealt with jobs-types, opportunities, impact, and so forth—for CWS students, no further job study was performed under the direction of CWS staff either within or outside the program. We are not aware of any other study of job opportunities outside the program. It is possible that such a study may have been undertaken by some other administrative unit within the Education Division. A study of job opportunities apart from the CWS program could properly have been developed within the Department of Labor.

### STUDENT AID BUDGET

Mr. CONTE. The College Entrance Examination Board's recent survey shows college costs rising 9.4 percent this fall. Now, overall your budget is closing off different kinds of grants to institutions and reducing work-study and supplementary EOG's. Isn't this going to put students in a wringer—with rising tuition and fewer ways to get some help beyond BEOG?

Dr. OTTINA. You are of course aware that the President recently signed Public Law 93-269 removing the needs test for guaranteed loans for families with adjusted gross incomes below $15,000. We feel that this will have a significant effect in stimulating the supply of guaranteed loans. This stimulus, coupled with the fact that the Student Loan Marketing Association is just now coming fully into operation, should be of tremendous assistance to BEOG recipients in meeting that portion of their costs for which the basic grant is not available.

Mr. FLOOD. Thank you very much.

MONDAY, APRIL 8, 1974.

## ELEMENTARY AND SECONDARY EDUCATION

### WITNESSES

ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS
DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION
DR. JOHN H. RODRIGUEZ, ACTING ASSOCIATE COMMISSIONER FOR COMPENSATORY EDUCATION PROGRAMS
DR. JOHN MOLINA, DIRECTOR, DIVISION OF BILINGUAL EDUCATION
ROSEMARY C. WILSON, DIRECTOR, DIVISION OF FOLLOW THROUGH
THOMAS J. BURNS, ACTING ASSOCIATE COMMISSIONER FOR STATE AND LOCAL EDUCATIONAL PROGRAMS
WALTER BOGAN, DIRECTOR, DIVISION OF TECHNOLOGY AND ENVIRONMENTAL EDUCATION
JAMES SPILLANE, DIRECTOR, DIVISION OF DRUG EDUCATION—NUTRITION AND HEALTH PROGRAMS
DR. HERMAN R. GOLDBERG, ASSOCIATE COMMISSIONER FOR EQUAL EDUCATIONAL OPPORTUNITY PROGRAMS
DR. RUTH L. HOLLOWAY, DIRECTOR, RIGHT TO READ PROGRAM
JAMES B. ROBERTS, EXECUTIVE OFFICER FOR SCHOOL SYSTEMS
DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER, OFFICE OF PLANNING
CORA BEEBE, ACTING BUDGET OFFICER
THOMAS McNAMARA, BUDGET ANALYST
RENEA HICKS, BUDGET ANALYST
CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET

Mr. FLOOD. The committee will come to order.

### WITNESS INTRODUCTION

Now we have elementary and secondary education. The presentation will be made by Robert R. Wheeler, Acting Deputy Commissioner for School Systems.

We have your biographical sketch, Mr. Wheeler, which we will place in the record at this point.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: Robert R. Wheeler.
Position: Acting Deputy Commissioner, Bureau of School Systems.
Birthplace and date: Omaha, Nebr., April 10, 1921.
Education:
  Undergraduate degree, Lincoln University, Jefferson City, Mo., B.S., 1948.
  Master of science degree, Columbia University, New York, in the field of guidance and educational psychology.
  Additional graduate work in the field of educational psychology, and educational administration:
    University of Kansas City.
    University of Kansas.
    University of California at Berkeley.
  Honorary doctor of laws degree—Lincoln University.

Experience:
Present: Acting Deputy Commissioner, Bureal of School Systems.
1972–74: Associate Commissioner for Elementary and Secondary Education.
1971–72: District Superintendent, Division of Urban Education, Kansas City, Mo., schools.
1966–70: Assistant Superintendent, Division of Urban Education, Kansas City, Mo., schools.
1965–66: Director of Urban Special Services, Oakland, Calif., school district.
1962–64: Director of Special Scholarships, Kansas City schools.
1962: Vice principal, Kansas City schools.
1956–61: Counselor, Kansas City schools.
1948–55: Teacher, Kansas City schools.
Association memberships: Vice president, Missouri Council on Education.
Member:
Executive committee, Kansas City chapter of Missouri.
Association for Social Welfare.
American Association of School Administrators.
Missouri Association of School Administrators.
National Education Association.
Missouri Education Association.
Education council, chamber of commerce.
National panel, American Arbitration Association.
Rotary Club of Kansas City, Mo.

Mr. FLOOD. Is there anybody here you want us to meet?

Mr. WHEELER. Mr. Chairman, you know Dr. Ottina, the Commissioner of Education, of course. On my left is Mrs. Ruth Holloway, director of the right to read program, and next to her is Dr. John Rodriguez, acting associate commissioner for compensatory education programs. On my right is Mr. Tom Burns, acting associate commissioner for State and local educational programs and next to him is Dr. Goldberg, associate commissioner for equal educational opportunity programs.

We have brought these people along in the interest of furnishing the committee with the most complete, the most accurate, and the most informed testimony possible.

Mr. FLOOD. I see you have a prepared statement here. How do you want to handle it?

Mr. WHEELER. I would like to begin by reading the statement and then we will be available for questions.

Mr. FLOOD. All right. Suppose you do.

### OPENING STATEMENT

Mr. WHEELER. Mr. Chairman and members of the committee: I welcome this opportunity to appear before you on the elementary and secondary education appropriation. This appropriation which since 1966 has funded the bulk of the Office of Education's support for local public schools is undergoing extensive revisions to better serve the children and teachers of this Nation.

The drastic change from 1974 in funds requested in this appropriation results from a proposal to consolidate many of the activities previously funded here into a proposed new appropriation, elementary and secondary grants consolidation, to be authorized by new legislation.

These legislative proposals now pending before the Congress would restructure the present mode of Federal support in elementary and secondary education. There are four major objectives:

To allow for better planning and budgeting by State and local officials;

To increase the flexibility of school officials in meeting local priorities;

To achieve greater equity in the distribution of Federal assistance; and

To simplify the administration of the programs.

No funds are being requested under this appropriation for titles I, III, and V of the Elementary and Secondary Education Act, and title III of the National Defense Education Act, since beginning with a proposed 1974 supplemental for the school year 1974–75, these activities as well as environmental education and nutrition and health have been submitted for inclusion under consolidation. In addition, no funds are requested for drug abuse education, reflecting the termination of Office of Education funding for this program.

We are requesting $117,700,000 in this budget request before you and will propose an amendment of $40 million more for various categorical programs under this appropriation. This is an increase of $13,975,000 from the comparable 1974 reduced appropriation level of $143,725,000.

These funds will provide support for two activities previously included in this appropriation, the bilingual education program, authorized by title VII of the Elementary and Secondary Education Act (pending extension legislation) and the Follow Through program, formerly authorized by the Economic Opportunity Act of 1964.

Some activities previously funded under educational development and emergency school aid appropriations are proposed for inclusion in this appropriation. These programs which focus on the elementary and secondary area are: Right to Read, authorized under the Cooperative Research Act; educational broadcasting projects, authorized by part IV, title III, of the Communications Act of 1934, and the Cooperative Research Act; and Civil Rights Advisory Services, authorized by title IV of the Civil Rights Act of 1964.

## BILINGUAL EDUCATION

We have recently been reexamining Office of Education policy in regard to bilingual education. We are considering a number of approaches to the education problems of children whose dominant language is other than English. You have before you a budget request of $35 million for bilingual education and we will shortly be submitting to you a budget amendment for an additional $35 million to expand our current demonstration efforts in this area, and to carry forward our effort which are crucial to the success of this program.

The Office of Education has been funding demonstration projects in bilingual education since 1969. When this program began, there was little available in terms of instructional materials and trained teachers, therefore, projects were authorized to conduct curriculum development and teacher training.

The revised budget request of $70 million will support approximately 250–300 demonstration projects and will place added emphasis on preservice and inservice training of educational personnel.

## RIGHT TO READ

One of our major activities is right to read. We believe that reducing illiteracy in the United States requires both public and private resources, so our efforts in this area are meant to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their reading and literacy activities. In fiscal year 1975, our request for this program is $12 million which will provide support for activities to aid State education agency programs, to demonstrate the successful reading programs, reform teacher training and disseminate reading information and materials.

Our work with the State education agencies has the goal of building the capacity of the States and the stimulation of their efforts to improve reading achievement. We are doing this through State needs assessments, coordination and development of State reading plans, training of State and local agency personnel, and technical assistance activities.

Our reading demonstration activities are conducted in both schools and in community settings, including prisons, migrant centers, and libraries. As important as stimulating schools and communities to adopt successful reading practices is the modification of our teacher education programs, so that teachers will be better able to meet the individual needs of learners. After assessing their current reading education programs, grantees will adapt and implement components designed to produce positive change.

In addition, right to read will initiate a number of activities designed to have a national impact. These projects include an adult literacy television program in English and Spanish; solicitation of the efforts and financial support of business and industry to set up on-the-job literacy programs; and the formation of right to read academies in community facilities whose volunteer personnel will spend 3 to 5 hours per week for 1 year tutoring adults with reading and literacy problems.

## EDUCATIONAL BROADCASTING PROJECTS

The educational broadcasting projects activity is designed to improve and extend the delivery of educational programs through the use of technology-based systems. Two subactivities are the educational broadcasting facilities program and educational television programing which supports the production and distribution of educational television programs.

An amount of $14 million is being requested for educational broadcasting projects in fiscal year 1975 which will result in a net decrease of $4,675,000 below the 1974 appropriation. This reduction is composed of a decrease of $8,675,000 in broadcasting facilities and an increase of $4 million in educational television programing. This funding shift from expansion and improvement of noncommercial broadcasting facilities to support educational television programing for preschool and school-age children recognizes the 12 years of support already provided for the expansion and updating of facilities and the current need to develop and fund innovative television programs reaching large numbers of educationally disadvantaged children.

The $7 million requested for educational broadcasting facilities grants will assist in the improvement and expansion of 23 ETV stations and 9 radio stations. Support will also be given to help activate four new ETV noncommercial stations and six educational radio stations. This will provide educational television coverage to about 80 percent of the population and educational radio coverage to nearly 68 percent.

The $7 million requested for educational television programing will support the development and demonstration of educational television programs designed to improve the academic achievement of children and youth. Support of the Children's Television Workshop, the developers of Sesame Street and the Electric Company, will be continued and a limited number of new television-based programs will be initiated.

The viability of this nontraditional approach to education is demonstrated by the large audiences documented for Sesame Street and by a recent survey of educational broadcasting stations which singled out Sesame Street as one of the shows they most preferred to offer.

### CIVIL RIGHTS ADVISORY SERVICES

The Civil Rights Advisory Service program renders technical assistance in the preparation, adoption, and implementation of plans for the desegregation of public schools, and provides services and training for people to deal effectively with special educational problems occasioned by desegregation.

For fiscal year 1975, $21,700,000 is requested in the budget document before you, the same amount as the previous year. These funds will support an estimated 160 projects serving approximately 7 million students, including at least 3 million minority group students, as compared with 139 projects serving 6,090,000 students in 1974. In addition, an estimated 75,000 school personnel will be trained to meet the problems incident to desegregation as compared to 62,250 in 1974.

In addition to this $21,700,000, a budget amendment will soon be submitted requesting an additional $5 million for Civil Rights Advisory Services. These additional funds would be used to address special desegregation problems specifically related to bilingualism.

### FOLLOW THROUGH

Follow Through is an experimental program designed to develop and test effective ways of educating disadvantaged children in the early primary grades (K–3). Twenty-two educational institutions developing different approaches and 170 projects testing these approaches comprise the experiment together with a national evaluation component.

The request of $35 million is a decrease of $6 million from the 1974 level, reflecting the phaseout which began in fiscal year 1974 and is scheduled to end at the close of the school year in 1977, by eliminating one additional grade level each year, consistent with the experimental design. The group of children entering the program for the first time in September 1973 were, therefore, the final group of new children to enter the program. School year 1976–77 will be the last year of program operation. The phaseout strategy will not result in terminating support for any students currently enrolled in the program prior to the final phaseout date.

The evaluation of the impact of Follow Through models on students, parents, and institutions will be continued during phaseout. Data from the national longitudinal evaluation from sponsors and school district evaluations also will be used to make preliminary identification of effective models.

The overall effectiveness of Follow Through will be determined by the degree to which it has fostered development of successful approaches to early childhood education of disadvantaged children. While it is too early to draw final conclusions, the evaluative evidence we have now *does suggest that some models are more effective than* others, when Follow Through children are compared to similar children receiving other forms of early childhood education. The magnitude of the effects, the stability over time, and their consistency under different conditions are still being studied.

Mr. Chairman, it has been our pleasure to detail our plans in elementary and secondary education for you today. My associates and I will be happy to answer any questions you may have.

### AUTHORIZING LEGISLATION

Mr. FLOOD. Because the basic law hasn't been extended the committee is deferring action on fiscal year 1975 appropriations for most of the elementary and secondary education programs.

In connection with the proposed budget the recent President's education message for these programs indicated that a supplemental appropriation request of $2.85 billion will be transmitted to Congress as soon as acceptable legislation is enacted.

If legislation is not enacted by May 1, will you still recommend a supplemental budget request?

Mr. WHEELER. Mr. Chairman——

Mr. FLOOD. Take a look at the calendar. What day is this?

Mr. WHEELER. As you know the need for Federal support of these programs proposed under elementary and secondary education is very great indeed. And if it should turn out that the Congress in its deliberations hasn't given us legislation by that time——

Mr. FLOOD. By May 1?

Mr. WHEELER. By May 1—I think the situation will have to be examined and we will have to look to some other legislative measure to take care of the needs of the schoolchildren.

Mr. FLOOD. Examine carefully.

Mr. WHEELER. Examine carefully. Right.

Mr. FLOOD. Now the budget request currently before the committee amounts to $117 million for elementary and secondary education. At this time how much of this request is not authorized for fiscal 1975?

Dr. OTTINA. Mr. Chairman, I believe that title VII, the Bilingual Education Act, for which we are asking $35 million and have suggested another $35 million in the transmittal to you later is one program which is not authorized. And as I understand it Follow Through is not. I believe under section 413 of the General Education

Provision Act Follow Through would be extended for another year because it is a program administered by the Office of Education.

### BILINGUAL EDUCATION COURT CASE

Mr. **Flood**. What impact do you think the Supreme Court decision in the *Lau* case will have on school districts with large numbers of children of non-English speaking families?

Mr. **Wheeler**. Mr. Chairman, I think it is quite clear it does fasten additional responsibility on the school districts.

Mr. **Flood**. Especially one with large numbers?

Mr. **Wheeler**. That is right. What is involved is the need to tool up, so to speak, in order to meet this responsibility. This effort is going to define itself in terms of an acceleration in the development of suitable materials.

There is a very strong need for the training of teachers who can discharge this responsibility. There is also a need to examine the educational approaches, that is some of the pedagogy which is directed to bilingual education with a view toward disseminating successful projects.

### BILINGUAL CHILDREN BENEFITED

Mr. **Flood**. How many schoolchildren do you estimate will benefit from bilingual education?

Mr. **Wheeler**. We know there are about 5 million children who have a language other than English as the dominant language. We estimate that about 1.8 to 2.5 million of these will need some extra help if non-English dominance is not to become an impairment to their educational advancement.

Mr. **Flood**. How many do you think would be aided by the proposed budget?

Mr. **Wheeler**. We would estimate that there would be about 240,000 children who would be served directly under this program. If our present strategy of capacity building is followed, we would be instituting services which would ultimately reach about 5 million children.

Dr. **Ortiza**. If I may emphasize the point Mr. Wheeler is making, the title VII program to date has never been viewed as a program whose aim it was to service and reach those throughout the Nation that were in need but rather programs that were at the time designed to find ways to deal with problems, to demonstrate effective techniques of meeting it. So the question you ask I think is a very appropriate one for a future role but not in terms of present circumstances.

Mr. **Flood**. What justification do you have for the relatively small role in the Federal budget for bilingual education?

Mr. **Wheeler**. We think that the role is not a small one. To begin with, it is a very heavy responsibility. Further, the requirements for instruction for bilingual children vary from locality to locality. It is also consistent with our policy of consolidation to leave the maximum amount of flexibility and the maximum amount of choice to the localities when they design programs for children who have bilingual educational needs.

## BILINGUAL EVALUATION

Mr. Flood. Last week here we spent quite a bit of time making quite a big thing out of program evaluation. A big deal. Have you made an evaluation of the bilingual situation? If you have, what are the major findings?

Mr. Wheeler. At the present time we are engaged in some systematic evaluation, a scrutiny of the bilingual program, looking toward identifying those programs which seem to have the most promise in terms of producing the desired educational outcome. This effort has been under way practically all of this year, but the study is not finished yet. We would expect it to be finished and distributed some time early in the next fiscal year.

Mr. Flood. Even so far, has the evaluation produced any major findings, anything that sticks out?

Mr. Wheeler. Up to this time there has been no systematic evaluation of the effect of the bilingual program on the learning of children. There have been some studies which tend to show that bilingual children do profit from bilingual instruction when they are compared with their peers.

Mr. Flood. You are going to finish the evaluation when?

Mr. Wheeler. Our evaluation will be finished early in the next fiscal year.

Mr. Flood. Next fiscal year?

Mr. Wheeler. Yes, at which time we hope we will have identified at least 10 successful practices in bilingual education which can be distributed, which are exemplary, and which are worthy from the standpoint of producing the desired outcome.

## TOTAL BILINGUAL EXPENDITURES

Mr. Flood. For the record, on page 57 of last year's hearings, I will tell you what you do. Update that table concerning bilingual education.

Mr. Wheeler. Very well.

[The information follows:]

ESTIMATED OBLIGATIONS FOR BILINGUAL EDUCATION ACTIVITIES IN THE OFFICE OF EDUCATION

[In thousands of dollars]

| | Fiscal year— | | |
|---|---|---|---|
| | 1973 | 1974 | 1975 |
| Elementary and secondary education: | | | |
| Supplementary services | 1,665 | 1,046 | (1) |
| Bilingual education | 44,950 | 50,350 | 35,000 |
| Civil Rights advisory services | 2,000 | 2,000 | 2,000 |
| Follow Through | 2,621 | 2,061 | 1,541 |
| Equipment and minor remodeling | 127 | 100 | (1) |
| Emergency school assistance | 21,050 | 21,300 | 3,750 |
| Occupational, vocational, and adult education: | | | |
| Vocational education | 35,986 | 38,311 | (1) |
| Adult education | 17,863 | 25,506 | (1) |
| Library resources: School library resources | 525 | 525 | (1) |
| Total | 126,787 | 141,199 | 42,291 |

[1] These programs are being consolidated under proposed legislation and will be under State and local control so we cannot estimate future participation.

### BILINGUAL TELEVISION

Mr. FLOOD. Take a look at page 25 of the justifications. You will find a reference there to $1.5 million for a bilingual educational television project. Take a look at the basic law. Does the basic law, title VII, authorize these TV projects?

Mr. WHEELER. It authorizes educational television programing. We have looked into that situation, Mr. Chairman.

Mr. FLOOD. I bet.

Mr. WHEELER. As a consequence we have had some anxieties and we have shifted the funding of educational TV programs from title VII to the Emergency School Aid Act.

Mr. FLOOD. How much in total title VII funds have been used for educational television?

Mr. MOLINA. Approximately $3.1 million in total.

### BILINGUAL FUNDS BY STATE

Mr. FLOOD. For the record give us a State distribution of the bilingual education funds for fiscal 1974 and fiscal 1975.

Mr. WHEELER. Yes, we can do that.

Dr. OTTINA. For 1975, as you know, this is a project grant application program, there isn't a State formula. So we would be unable to present that. But we will attempt to project 1974.

Mr. FLOOD. Can you do this? Within the rule of reason, can you estimate?

Dr. OTTINA. Yes.

[The information follows:]

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DIVISION OF BILINGUAL EDUCATION

ESTIMATED FUNDING LEVELS BY STATE

(FY 73 RELEASED FUNDS AND FY 74 APPROPRIATIONS)

| NO. | STATE | FY 73 RELEASED FUNDS NUMBER | FY 73 RELEASED FUNDS AMOUNT | FY 74 APPROPRIATIONS NUMBER | FY 74 APPROPRIATIONS AMOUNT | TOTALS NUMBER | TOTALS AMOUNT |
|---|---|---|---|---|---|---|---|
| 1. | Alabama | 0 | $ -0- | 0 | $ -0- | 0 | $ -0- |
| 2. | Alaska | 2 | 695,700 | 1 | 187,800 | 3 | 883,500 |
| 3. | Arizona | 3 | 387,800 | 11 | 1,955,100 | 14 | 2,342,900 |
| 4. | Arkansas | 0 | -0- | 0 | -0- | 0 | -0- |
| 5. | California | 9 | 1,631,560 | 73 | 13,439,600 | 82 | 15,071,160 |
| 6. | Colorado | 2 | 272,100 | 7 | 1,008,500 | 9 | 1,280,600 |
| 7. | Connecticut | 0 | -0- | 4 | 821,300 | 4 | 821,300 |
| 8. | Delaware | 0 | -0- | 1 | 151,800 | 1 | 151,800 |
| 9. | Dist. of Columbia | 0 | -0- | 1 | 129,500 | 1 | 129,500 |
| 10. | Florida | 0 | -0- | 3 | 1,167,300 | 3 | 1,167,300 |
| 11. | Georgia | 0 | -0- | 0 | -0- | 0 | -0- |
| 12. | Hawaii | 0 | -0- | 0 | -0- | 0 | -0- |
| 13. | Idaho | 0 | -0- | 1 | 200,000 | 1 | 200,000 |
| 14. | Illinois | 0 | -0- | 1 | 2,015,000 | 1 | 2,015,000 |
| 15. | Indiana | 0 | -0- | 2 | 369,800 | 2 | 369,800 |
| 16. | Iowa | 0 | -0- | 0 | -0- | 0 | -0- |
| 17. | Kansas | 0 | -0- | 1 | 105,000 | 1 | 105,000 |
| 18. | Kentucky | 0 | -0- | 0 | -0- | 0 | -0- |
| 19. | Louisiana | 0 | -0- | 7 | 1,389,500 | 7 | 1,389,500 |
| 20. | Maine | 0 | -0- | 3 | 374,700 | 3 | 374,700 |

| NO. | STATE | FY 73 RELEASED FUNDS |  | FY 74 APPROPRIATIONS |  | TOTALS |  |
|---|---|---|---|---|---|---|---|
|  |  | NUMBER | AMOUNT | NUMBER | AMOUNT | NUMBER | AMOUNT |
| 21. | Maryland | 0 | $ -0- | 0 | $ -0- | 0 | $ -0- |
| 22. | Massachusetts | 0 | -0- | 6 | 1,188,500 | 6 | 1,188,500 |
| 23. | Michigan | 1 | 170,000 | 5 | 920,000 | 6 | 1,090,000 |
| 24. | Minnesota | 0 | -0- | 0 | -0- | 0 | -0- |
| 25. | Mississippi | 1 | 296,800 | 0 | -0- | 1 | 296,800 |
| 26. | Missouri | 0 | -0- | 1 | 250,000 | 1 | 250,000 |
| 27. | Montana | 0 | -0- | 3 | 486,300 | 3 | 486.300 |
| 28. | Nebraska | 0 | -0- | 1 | 43,600 | 1 | 43,600 |
| 29. | Nevada | 0 | -0- | 1 | 149,500 | 1 | 149,500 |
| 30. | New Hampshire | 0 | -0- | 2 | 199,600 | 2 | 199,600 |
| 31 | New Jersey | 2 | 460,000 | 10 | 2,203,200 | 12 | 2,663,200 |
| 2. | New Mexico | 3 | 205,000 | 12 | 1,683,700 | 15 | 1,888,700 |
| 3. | New York | 12 | 2,882,500 | 31 | 7,979,100 | 43 | 10,861,600 |
| 4. | North Carolina | 0 | -0- | 0 | -0- | 0 | -0- |
| 5. | North Dakota | 0 | -0- | 0 | -0- | 0 | -0- |
| 6. | Ohio | 0 | -0- | 3 | 613,400 | 3 | 613,400 |
| 7. | Oklahoma | 0 | -0- | 3 | 486,000 | 3 | 486,000 |
| 8. | Oregon | 0 | -0- | 1 | 150,000 | 1 | 150,000 |
| 9. | Pennsylvania | 1 | 176,600 | 3 | 839,400 | 4 | 1,016,000 |
| 0. | Rhode Island | 3 | 592,840 | 1 | 143,100 | 4 | 735,940 |
| 1. | South Carolina | 0 | -0- | 0 | -0- | 0 | -0- |
| 2. | South Dakota | 0 | -0- | 1 | 155,500 | 1 | 155,500 |
| 3. | Tennessee | 0 | -0- | 0 | -0- | 0 | -0- |
| 4. | Texas | 5 | 1,213,500 | 43 | 7,395,400 | 48 | 8,608,900 |

| NO. | STATE | FY 73 RELEASED FUNDS |  | FY 74 APPROPRIATIONS |  | TOTALS |  |
|---|---|---|---|---|---|---|---|
|  |  | NUMBER | AMOUNT | NUMBER | AMOUNT | NUMBER | AMOUNT |
| 45. | Utah | 0 | $ -0- | 3 | $ 473,300 | 3 | $ 473,300 |
| 46. | Vermont | 0 | -0- | 1 | 99,100 | 1 | 99,100 |
| 47. | Virginia | 0 | -0- | 0 | -0- | 0 | -0- |
| 48. | Washington | 1 | 300,000 | 2 | 380,100 | 3 | 680,100 |
| 49. | West Virginia | 0 | -0- | 0 | -0- | 0 | -0- |
| 50. | Wisconsin | 0 | -0- | 1 | 197,000 | 1 | 197,000 |
| 51. | Wyoming | 0 | -0- | 1 | 115,000 | 1 | 115,000 |
| 52. | Guam | 0 | -0- | 1 | 250,000 | 1 | 250,000 |
| 53. | Puerto Rico | 0 | -0- | 1 | 400,000 | 1 | 400,000 |
| 54. | Virgin Islands | 0 | -0- | 2 | 204,300 | 2 | 204,300 |
| 55. | Trust Terr. | 2 | 170,000 | 1 | 30,000 | 3 | 200,000 |
| 56. | Amer. Samoa | 1 | 415,600 | 0 | -0- | 1 | 415,600 |
|  | Totals | 48 | 9,870,000 | 256 | 50,350,000 | 304 | 60,220,000 |

### FOLLOW THROUGH PROGRAM AUTHORIZATION

Mr. FLOOD. What is the status of any legislation extending the authorization for the Follow Through program?

Mr. WHEELER. The Follow Through program is authorized——

Mr. FLOOD. You are proposing to extend the legislation, aren't you? What is the status of the legislation?

Mr. WHEELER. It expires June 30, but it is in line for an automatic extension for another year.

Dr. OTTINA. Because of the general educational provisions there is not the necessity this year to continue the authorization. So that your Appropriations Committee could consider such a request and make an appropriation without an extension of legislation.

Mr. FLOOD. Is the administration recommending any major changes in the Follow Through authorization or are you simply asking for an extension of the existing law?

Dr. OTTINA. We are asking for some changes to the law. I wouldn't describe them as major. I would describe them as reflecting what the program has been rather than major departures.

Mr. FLOOD. You are not asking for a mere extension of the existing law then?

Dr. OTTINA. Basically the answer to that question is yes.

Mr. FLOOD. That is a good answer.

Dr. OTTINA. It is not truly a word for word extension.

Mr. MILLER. I might add one word, Mr. Chairman. Follow Through is authorized under the Economic Opportunity Act. The administration is proposing one piece of legislation which deals with the phaseout of OEO and then we are submitting separate pieces of legislation for those programs which have been or are being delegated to the departments, including Follow Through.

### BILINGUAL EDUCATION TOTAL EXPENDITURES

Mr. WHEELER. Before receiving your next question may I add to the record in response to an earlier question on bilingual education that might make it more informative. The question related to the size of the role the Office of Education wants to play in bilingual education. I should have added—it is not only the bilingual education effort supported by the $35 million, but there are other programs which also have bilingual education components. We have looked at this recently, and we know that we are supporting bilingual education at a level of about $140 million. This does not include the significant amount of effort in title I which is devoted to bilingual education.

### FOLLOW THROUGH PROGRAM AS EXPERIMENT

Mr. FLOOD. The budget refers to Follow Through as an experimental program. Is that what the basic law specifically says or is that an administrative decision?

Mr. WHEELER. At the beginning Follow Through started out as a response to Head Start, directing itself primarily toward measures which were intended to overcome the characteristic relapse which was experienced by Head Start students. However, it soon became apparent to those of us in education that what we needed to look at were educational measures which would produce success in overcoming this relapse and would also advance the achievement of early elementary school children. Follow Through then designed some discrete models, hopefully discrete at least, where we would look at several different educational approaches and compare these with each other to see which was the most productive.

Mr. FLOOD. That is fine. I couldn't have said it better myself. But what is the law on it? What does the law say?

Mr. WHEELER. The law stated that we were to look at ways in which we could counteract the relapse in the Head Start program. The experiment grew out of this kind of mandate.

Mr. FLOOD. Your position is that this is not an administrative decision.

Mr. WHEELER. It is an administrative decision——

Mr. FLOOD. You are interpreting the law.

Mr. WHEELER. Yes, our interpretation is that we have the authority there to conduct an experiment.

Mr. FLOOD. You say you have authority in law. That is your position?

Mr. WHEELER. Yes.

### UNDERSTANDING WITH FOLLOW THROUGH SPONSORS

Mr. FLOOD. When the Follow Through projects were initially funded, what understanding was there between the Office of Education and the local sponsors about the duration of Federal support? What about that?

Mr. WHEELER. At the outset, Mr. Chairman, the sponsors were very much aware of the fact that we were conducting a very important experiment.

Mr. FLOOD. Duration is what I am concerned about.

Mr. WHEELER. I don't remember.

Dr. OTTINA. Mr. Chairman, I think you will recall the initial programs were started in OEO.

Mr. FLOOD. When you started out with these people, what was the understanding between you and the local people on the duration?

Dr. EVANS. I think it would be fair to say there probably was not the kind of explicit understanding between all parties that there should have been.

The most significant thing to note in that history is that the original statement in the law was a very brief and general one, as Dr. Wheeler has indicated. But the significant thing that determined the course of the program was that the initial appropriation within the Community Action program turned out, after a number of reductions made by the Congress and subsequent decisions made by the then administration, to be $15 million for that program. It was clear that $15 million could not usefully be employed to address that large population in some direct service manner. Therefore, the emphasis in the program was put, as Mr. Wheeler has indicated, on an effort to develop a number of model programs that would help redress the disadvantages of this population. It is almost certainly the case, that while OE did make it clear that it was an experimental program with a termination date, many projects receiving the funds both hoped for and in many cases, I am sure, believed it was a source of funding that would continue indefinitely.

## FOLLOW THROUGH TECHNICAL ASSISTANCE

Mr. FLOOD. What steps have you taken to phase out Follow Through projects? For example, have you done anything at all insofar as providing technical assistance to these local school districts concerning the possibility of continuing these projects from other funding sources? For instance, you mentioned title I of the Elementary and Secondary Education Act. Have you talked to these people about that? Are you offering any technical assistance to show this can be done? This is a complicated operation.

Mr. WHEELER. There have been several communications with the local school districts indicating to them our schedule for the phasing out of Follow Through. As a matter of fact we have asked for a response from them so as to get a handle on the kind of needs they might have for technical assistance.

Mr. FLOOD. Anything in yet?

Mr. WHEELER. Yes. We sent out 156 letters to schools who were being phased out. We have received 102 responses. Of the 102 which responded 71, about 69 percent, indicated that they planned to continue Follow Through by putting it into their regular school program and supporting it from State and local funds.

## CONTINUANCE OF FOLLOW THROUGH UNDER TITLE I

Mr. FLOOD. Do you expect any of these Follow Through projects to actually be continued under the title I program?

Mr. WHEELER. Yes. We have that firm expectation.

Mr. FLOOD. Can you indicate about how many?

Mr. WHEELER. We couldn't tell you the number of programs.

Mr. FLOOD. But you do think these will be continued?

Mr WHEELER. I don't think there is any question about it.

Dr. EVANS. Mr. Chairman, you have expressed several times an interest in evaluation. There are some important evaluation findings relating to the Follow Through program that will be available shortly. What they show is that the effort of this program to select a variety of models, some quite different from others, and test them out experimentally to see which are most effective, is showing the results we would expect. Some of the Follow Through models are indeed showing impressive success in improving the achievement levels and attitudes of the children.

But as we would expect, some of the other models are not showing much improvement, and in some of the others it appears the children in the control groups were better off than those in the model programs. This is the main reason why it seems to us very inappropriate that this program should be continued as it is. Its purpose was to be an experimental program. It has these documented variations in effectiveness, and to continue it as a program would in effect amount to a decision to increase Federal funds for programs and models for which we have clear evidence that they are not working. The task then is to select those that are working, which we are trying to do, and get those models and techniques into the other major compensatory programs, such as title I.

### FOLLOW THROUGH FUNDING CYCLE

Mr. FLOOD. On page 35 of your budget justifications for Follow Through, you indicate $23,707,000 of the request will fund activities in the school year 1975–76. Are you presenting this request over a 2-year period?

Mr. WHEELER. That 1975–76 refers to the school year. So the school year would begin in 1975 and then of course the school year ends in 1976.

Mr. FLOOD. You are not talking about 2 budget years?

Mr. WHEELER. No.

Mr. FLOOD. Take a look at page 35. Your activities there in school year 1974–75 and then $23,707,000 will fund activities in school year 1975–76. That is 2 years.

Dr. OTTINA. Mr. Chairman, these particular projects were initiated and funded initially for different periods of time when they were started. So what has happened is that these are not two sets of projects but projects that have different lengths of duration.

Mr. FLOOD. I would hope so because you know we have been through this 2-year funding business for the last couple of weeks with NIH.

Dr. OTTINA. No, sir. That is not the case.

Mr. FLOOD. For the record develop further anything about the funding cycle for the Follow Through projects.

[The information follows:]

Follow Through ordinarily forward funds program activities. As a result of a "chargeback" to the program in fiscal year 1973, however, some program activities which ordinarily would have been funded from fiscal year 1973 funds for school year 1973-74 were deferred to fiscal year 1974. In fiscal year 1974, therefore, it will be necesary to defer to fiscal year 1975 funding for certain program activities for school year 1974–75.

The remaining amount of the fiscal year 1975 appropriation will be used to fund, to the extent possible, the program's activities for school year 1975–76.

There are no 2 year-funded Follow Through program activities.

### RIGHT TO READ PROGRAM

Mr. FLOOD. On right to read you are asking for $12 million. You say the goal of this program is to eliminate functional illiteracy for 99 percent of the population under 16 years of age by 1980. Do you think that $12 million a year for the next 5 years is going to enable you to achieve such a very worthy goal?

Dr. OTTINA. Mr. Chairman, we are fortunate to have the director of the right to read program with us.

Mrs. HOLLOWAY. Mr. Chairman, I think it is necessary to differentiate between the right to read program, the $12 million line item, and the national effort. The national effort has as its goal to practically eliminate illiteracy.

As we have conceived the right to read program it is a facilitative program that helps to make possible the changing of programs and the initiation of programs in various agencies and the private sector.

**Mr. Flood.** What I want to know right now is—you want $12 million. Very worthy and all this. Can you reach that goal with that amount?

Mrs. Holloway. No, because the right to read program is not intended to reach that goal. The national right to read effort is intended to reach that goal.

Mr. Flood. If more funds were available, could you reach that goal?

Mrs. Holloway. We could make more progress toward reaching the goal.

Dr. Ottina. I am sure, Mr. Chairman, as you are aware, there are literally hundreds of millions of dollars that are spent throughout this land in teaching reading. I think what Dr. Holloway is suggesting is that the goals of the right to read program are to help more effectively develop the use of those dollars rather than to provide additional resources of money per se.

Mr. Flood. Mere dollars in and of themselves will not do that?

Dr. Ottina. We believe that is true.

Mrs. Holloway. I want to give an example in terms of the way in which we work with the State education agencies. They provide training to right to read programs and local right to read directors who go back and utilize some of the concepts and processes which really impact multiple programs at the local level. That is one kind of multiplier strategy that we utilize.

Mr. Flood. Take a look at page 29 of the justifications on the right to read program. You show that funds for State education agencies decreased from 1973 to 1974. But then they go up again in 1975 to $5 million. How do you account for that up and down business on the spending rate?

Mrs. Holloway. Mr. Chairman, we had initiated, you will recall, some demonstration programs to demonstrate effective practices of teaching children and adults. We will phase those out this year. We are going to phase out some 60 programs this year, and those monies will be utilized with State departments of education. So that accounts for the increase in fiscal year 1975 because we are looking at those programs and trying to find out why they were effective, and we are sharing that with State education agencies, and they in turn will utilize the findings from those demonstration programs.

Mr. Flood. How many of the State agencies are actively participating in the program?

Mrs. Holloway. To date 31 States are considered right to read States and in fiscal year 1975 we anticipate adding 10 more States.

Mr. Flood. Why aren't all of the States active in the right to read program?

Mrs. Holloway. The primary reason is that with the strategy we have devised we don't have adequate resources to reach all of them in one year, but we do have plans by 1976 to reach all of the States.

Dr. Ottina. You may recall also, Mr. Chairman, that we have forwarded to your subcommittee a request for reprograming some funds which would take the $1.5 million you noted for State educational agencies and add funds to that.

Mr. Flood. OK. We know about that.

Dr. Ottina. So the decrease that you noted there would not be there with that reprograming action.

Mr. **Flood.** The budget includes $750,000 for what you call "right to read academies." What will these academies do and also where will they be located?

Mrs. **Holloway.** The academies are existing institutions, existing facilities, public library, community centers, et cetera that will provide volunteer tutoring services to adults through the day and in the evenings and weekends to help tutor adults in skills of reading. They will be located geographically throughout the country.

Mr. **Flood.** As we have found in many programs down through the years in the Department, do you have an advisory council for the right to read program?

Mrs. **Holloway.** No; right to read does not have an advisory council. At one time the National Reading Center had an advisory committee called the National Reading Council but they are no longer in operation.

Mr. **Flood.** Are you going to have one?

Mrs. **Holloway.** We do not have plans at this time to have an advisory committee.

## EDUCATIONAL BROADCASTING FACILITIES

Mr. **Flood.** Here is a subject which you know this committee has been tremendously interested in from the very beginning—educational broadcasting. The budget itself proposes a pretty sizable cut in the educational broadcasting facilities program from $15.7 million in 1974 to $7 million next year. We can read that only one way. Does that indicate the need for educational TV, educational radio is declining?

Mr. **Wheeler.** Mr. Chairman, I don't think it indicates that the need for use of those media is declining. However, our experience through the years has shown that the need for additional facilities does not merit ranking ~~as high~~ a priority as it did before.

Mr. Bogan, is the director of that program, and might be able to add to that statement.

Mr. **Flood.** I hope so.

Mr. **Bogan.** I think that figure reflects the substantial success we have had in providing a signal for a tremendously increased number of people. What we are now experiencing is the need to support increased programing. You will note we are decreasing the facilities program from $15.6 million to $7 million, while we are increasing the programing side from $3 to $7 million, reflecting the fact that we have reached in excess of something on the order of 75 percent of the population by signal.

Mr. **Flood.** Your statement and your justification indicate that educational television coverage will reach 82 percent of the population and educational radio will reach 68 percent of the population by the end of fiscal year 1975. Is your goal to reach 100 percent? If so, when are you going to get there?

Mr. **Wheeler.** That goal is——

Mr. **Flood.** Is your goal to reach 100 percent?

Mr. **Wheeler.** The goal is to reach the maximum amount of coverage which we could provide, which is related——

Mr. **Flood.** I know. I said 100 percent.

Mr. WHEELER. If you consider that 100 percent——

Mr. FLOOD. I can't do better than that.

Mr. WHEELER. In this case 100 percent is 90 percent, Mr. Chairman. In other words, 90 percent would be the maximum possible coverage, economically feasible to be reached by broadcast transmission.

Mr. FLOOD. When are you going to get to where you want to go?

Mr. WHEELER. We think we have substantially approached that goal and can work toward reaching the goal in subsequent years. But the goal of providing a broadcast signal which could cover 100 percent of the population, which is really 90 percent, does not have a priority higher than providing additional programing.

Mr. FLOOD. Have you got a nice clean year you want to dust off for a target?

Mr. BOGAN. The expectation is we will reach 90 percent with the broadcast signal via traditional broadcast media, but we have to move toward the utilization of other technologies in order to reach your 100 percent.

Mr. FLOOD. Do you have a target date, a year?

Mr. BOGAN. Our target date to reach 100 percent is 1980.

Mr. FLOOD. For the record we want information showing the number and the dollar amount of all of the applications you have received and processed and the current backlog of educational broadcasting facilities grants for fiscal year 1973, 1974, and 1975. That will send you to the books. If you can do it, it will be quite a show.

Mr. BOGAN. We will provide that for the record.

[The information follows:]

EDUCATIONAL BROADCASTING FACILITIES PROGRAM—PROFILE OF PROGRAM REQUESTS FISCAL YEARS 1973–74

[Dollar amounts in millions]

| Fiscal year | Pending applications | | Applications received | | Applications considered in fiscal year | | Grant awards | |
|---|---|---|---|---|---|---|---|---|
| | Number[1] | Amount | Number | Amount | Number | Amount | Number | Amount |
| 1973 | 77 | $18.9 | 84 | $17.2 | 161 | $36.1 | 78 | $13.0 |
| 1974 | 87 | 21.9 | [2] 121 | [2] 26.2 | [3] 208 | [3] 48.1 | 16 | 3.9 |

[1] Does not include applications returned during processing in previous fiscal year.

[2] Includes applications received through Mar. 24, 1974 (announced closing date was Mar. 25, 1974—figures will change).

[3] 16 of the 208 applications have received awards; 192 applications remain pending.

SUMMARY OF PENDING APPLICATIONS—FISCAL YEAR 1974 (AS OF MAR. 24, 1974)

[Dollar amounts in millions][1]

| Type of project | Television | | Radio | | Total | |
|---|---|---|---|---|---|---|
| | Number of projects | Amount of Federal request | Number of projects | Amount of Federal request | Number of projects | Amount of Federal request |
| Activations | 21 | $10.9 | 36 | $3.3 | 57 | $14.2 |
| Expansions/improvements | 92 | 27.0 | 43 | 3.0 | 135 | 30.0 |
| Total | 113 | 37.9 | 79 | 6.3 | 192 | [2] 44.2 |

[1] Estimated as amounts change daily in processing.

[2] Amount available for obligation from appropriation of $15,675,000 is $11,759,657. Awards of $3,915,343 were made on Sept. 14, 1973.

## CHILDREN'S TELEVISION

Mr. **Flood.** In the 1974 budget you reduced the amount for Sesame Street and the Electric Company from $7 million to $3 million. I never thought I would live that long.

In the 1975 request now you are going to raise it back to $7 million. Here we go on the the roller coaster again.

Mr. **Wheeler.** The $7 million will provide some funds to support new activities which will be undertaken by CTW and some of the funds will be used to begin development of additional educational TV programs. The children's television workshop now has had rather successful experience, and we think they merit a chance try new directions in using this media for instruction of the Nation's children.

Mr. **Miller.** I am not sure that came through clearly. As I understand his answer we are not increasing our support for Sesame Street and the Electric Company, we are asking additional funds for new children's programs. So I don't think there is an up and down on Sesame and the Electric Company, but I am not sure of that.

Dr. **Ottina.** We are contemplating funding Sesame Street and the Electric Company in total somewhere between $3 and $4 million. The exact amount won't be determined until the negotiations.

Mr. **Flood.** You say that the legislative authority—you made quite a point of this—for supporting Sesame Street and the Electric Company is the Cooperative Research Act.

Mr. **Wheeler.** Yes.

Mr. **Flood.** Take a look at page 31 of your justifications, keeping in mind what I just said you said.

You indicate in your justifications that these programs were originally considered as demonstration grants but now will be considered as service programs. If these are no longer demonstrations, then how are you going to continue them under the Cooperative Research Act? How do you do that? You can't have it both ways, can you? Which came first, the chicken or the egg?

Mr. **Wheeler.** The fact that these programs may now be considered as service programs——

Mr. **Flood.** This is what I say.

Mr. **Wheeler.** Yes, and the main reason for that is because of the wide coverage that they have.

Mr. **Flood.** I know, but you understand my question. You say they are one thing and now they are going to be something else. You refer to a law. How are you going to do that under that law?

Dr. **Ottina.** Your observation is, I think, a very good one.

Mr. **Flood.** That is why I made it.

Dr. **Ottina.** We have historically funded this under the Cooperative Research Act, and it is getting to the point where in actual fact this is becoming more and more service rather than demonstration. We have a pending set of legislation which is being proposed to the Congress under which authority we could fund programs such as this.

Mr. **Flood.** You told me you were going to do this under the Cooperative Research Act.

Dr. OTTINA. We do not have in place other than the Cooperative Research Act, an act that we believe we could fund these programs with. We believe they are important and they should be continued.

Mr. FLOOD. For the record I want a breakdown showing the sources of funding for Sesame Street and the Electric Company for fiscal years 1973, 1974, and 1975, and in that include all of the support they are getting from foundations, the Corporation for Public Broadcasting and all sources, including anything from the sale of records, from books, toys, et cetera, et cetera.

Mr. WHEELER. We have that information and can supply it for the record.

[The information follows:]

CHILDREN'S TELEVISION WORKSHOP FUNDING 1973-75 (SESAME STREET AND THE ELECTRIC CO.)

| | Fiscal year — | | |
|---|---|---|---|
| | 1973 | 1974 | 1975 (projected) |
| Broadcast activities, Federal Funding agency: U.S. Office of Education | $6,000,000 | $3,000,000<br>[1] 1,000,000 | $4,000,000-5,000,000 |
| Quasi-Governmental agency: Corporation for Public Broadcasting | 5,000,000 | 5,000,000 | 4,000,000-4,400,000 |
| Private funding: | | | |
| Carnegie Corp | 500,000 | | |
| Commercial stations | 304,000 | [2] 320,000 | [2] 350,000-375,000 |
| Mobil Oil | | 100,000 | |
| Nonbroadcast activities: | | | |
| Periodicals: | | | |
| Magazine sales and subscriptions: | | | |
| Sesame Street | [3] 1,051,000 | [4] 1,500,000 | [4] 1,500,000-1,750,000 |
| The Electric Company | | [4] 260,000 | [4] 500,000-750,000 |
| Educational products—Net royalties | 944,000 | [2] 1,000,000 | 1,250,000-1,500,000 |

[1] Includes released funds.
[2] Estimate.
[3] Gross.
[4] Gross estimate.

### CIVIL RIGHTS ADVISORY SERVICES

Mr. FLOOD. Now on civil rights education, for civil rights advisory services the budget is requesting $21.7 million. That is exactly the same amount appropriated last year. Do these projects change very much from year to year or do you continue to operate them in the same geographical areas of the country?

Mr. WHEELER. As you know, the efforts up to this point in desegregation have been concentrated in the Southern part of the country. We now think that the emphasis should be changed to those localities which have the most pressing problems in desegregation.

Mr. FLOOD. What does that mean?

Mr. WHEELER. So that——

Mr. FLOOD. You are going someplace other than the South?

Mr. WHEELER. Yes.

Mr. FLOOD. Go ahead and tell me about it.

Mr. WHEELER. These programs will have a thrust somewhat different from the thrust they have had up to this point. Perhaps Dr. Goldberg can give you more details about these programs.

**Mr. Goldberg.** Mr. Chairman, there are 28 universities which operate general assistance desegregation centers. The centers serving the States of Washington, Wisconsin, Colorado, and Missouri, for example, are new.

When we talked to this committee several years ago the concentration of these university assistance centers was in the Southeast. We had some in the Southwest. We indicated at that time we anticipated requests for service from other States. This has happened. We now have 31 State education departments that receive full or partial support from this program to operate such a State unit that stays within the borders of that State. A number of these are in States other than those which were traditional with this program when it was mostly Southern and border States.

We have 103 institutes that we will be operating through universities, short-term institutes for faculties of school systems, school boards, and public officials who deal with school board budgets. We have been moving northward and westward.

**Mr. Flood.** How do these projects differ from the projects supported by the Emergency School Aid Act? What is the difference?

**Mr. Goldberg.** The Emergency School Aid Act projects are service projects for children. Title IV projects, on the other hand, are capacity builders for teachers to deal with the problems, for school board members, for principals. One is an adult training program and the other is for children.

**Mr. Flood.** For the record give us the geographic distribution of these projects for fiscal year 1973 and fiscal year 1974.

[The information follows:]

## TITLE IV FY'73 SUMMARY

| | Number of Applications | | | | | Number of Awards | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Region | GAC | SEA | INT | LEA | TOTAL | GAC | SEA | INT | LEA | TOTAL |
| I | 2 | 2 | 3 | 8 | 15 | 1 | 1 | 2 | 3 | 7 |
| II | 6 | 2 | 2 | 3 | 13 | 1 | 2 | 1 | 0 | 4 |
| III | 2 | 4 | 1 | 4 | 11 | 2 | 4 | 1 | 2 | 9 |
| IV | 12 | 7 | 13 | 6 | 38 | 7 | 7 | 9 | 2 | 25 |
| V | 7 | 6 | 5 | 4 | 22 | 5 | 6 | 4 | 3 | 18 |
| VI | 6 | 4 | 9 | 7 | 26 | 5 | 4 | 5 | 4 | 18 |
| VII | 6 | 1 | 17 | 10 | 34 | 1 | 1 | 10 | 6 | 18 |
| VIII | 1 | 3 | 8 | 3 | 15 | 1 | 3 | 7 | 2 | 13 |
| IX | 4 | 3 | 2 | 2 | 11 | 2 | 2 | 2 | 0 | 6 |
| X | 2 | 4 | 5 | 5 | 16 | 2 | 4 | 3 | 4 | 13 |
| TOTAL | 48 | 36 | 65 | 52 | 201 | 27 | 34 | 44 | 26 | 131 |

| | Amount Requested | | | | | Amount Awarded * | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Region | GAC | SEA | INT | LEA | TOTAL | GAC | SEA | INT | LEA | TOTAL |
| I | $ 593,867 | $ 232,235 | $ 346,619 | $ 329,341 | $ 1,502,052 | $ 212,303 | $ 48,947 | $ 148,299 | $ 90,066 | $ 499,615 |
| II | 1,358,910 | 559,063 | 213,710 | 181,015 | 2,312,698 | 297,294 | 420,252 | 90,000 | - | 807,546 |
| III | 473,999 | 645,554 | 100,544 | 630,953 | 1,851,050 | 481,999 | 545,620 | 68,584 | 308,849 | 1,405,052 |
| IV | 3,906,996 | 836,358 | 1,691,751 | 309,869 | 6,744,974 | 2,202,063 | 772,685 | 757,892 | 59,580 | 3,792,220 |
| V | 2,634,111 | 1,051,393 | 954,132 | 482,193 | 5,121,834 | 1,617,666 | 746,348 | 506,851 | 256,141 | 3,127,016 |
| VI | 2,763,055 | 621,276 | 881,257 | 926,421 | 5,192,009 | 1,950,000 | 548,600 | 367,000 | 268,705 | 3,134,305 |
| VII | 1,624,201 | 108,722 | 1,415,360 | 664,312 | 3,812,595 | 349,745 | 96,352 | 693,770 | 184,572 | 1,324,439 |
| VIII | 332,317 | 307,202 | 762,435 | 120,931 | 1,522,935 | 219,534 | 261,749 | 544,006 | 55,330 | 1,080,619 |
| IX | 1,132,395 | 394,773 | 282,895 | 151,429 | 1,961,492 | 478,052 | 350,562 | 258,443 | - | 1,087,057 |
| X | 2,699,693 | 229,189 | 924,461 | 223,128 | 4,076,471 | 601,864 | 198,115 | 350,415 | 112,102 | 1,262,496 |
| TOTAL | $17,519,544 | $4,985,770 | $7,573,164 | $4,019,642 | $34,098,120 | $8,410,520 | $3,989,230 | $3,785,270 | $1,335,346 | $17,520,366 |

*Does not include $2,881,125 awarded to continue FY 1972 grants through June 30, 1973, thereby allowing forward-funding of new FY 1973 grants.

## FY 1974 - Civil Rights Act, Title IV

| | Number of Applications | | | Number of Awards | | |
|---|---|---|---|---|---|---|
| REGION | SEA | INT | LEA | SEA | INT | LEA |
| I | 3 | 6 | 10 | 2 | - | 5 |
| II | 2 | 3 | 6 | 2 | 1 | 3 |
| III | 5 | 4 | 5 | 5 | 1 | 5 |
| IV | 7 | 27 | 5 | 7 | 3 | 5 |
| V | 6 | 13 | 4 | 6 | 7 | 4 |
| VI | 4 | 13 | 6 | 4 | 2 | 6 |
| VII | 3 | 36 | 13 | 3 | 11 | 13 |
| VIII | 3 | 8 | 4 | 3 | 5 | 4 |
| IX | 3 | 9 | 1 | 3 | 2 | 1 |
| X | 4 | 4 | 6 | 4 | 1 | 6 |
| Total | 40 | 123 | 60 | 39 | 33 | 52 |

| | Amount Requested | | | Amount Awarded* | | |
|---|---|---|---|---|---|---|
| REGION | SEA | INT | LEA | SEA | INT | LEA |
| I | $ 231,614 | $ 897,890 | $ 506,563 | $ 87,733 | - | $ 156,567 |
| II | 2,238,826 | 1,097,214 | 596,105 | 484,476 | $ 95,004 | 137,389 |
| III | 771,093 | 434,865 | 1,020,197 | 682,958 | 30,706 | 388,726 |
| IV | 854,998 | 3,524,739 | 132,809 | 847,432 | 354,037 | 132,809 |
| V | 1,152,491 | 2,729,805 | 511,759 | 1,065,169 | 1,070,298 | 417,033 |
| VI | 842,602 | 1,560,946 | 936,783 | 593,025 | 131,400 | 167,950 |
| VII | 302,028 | 2,978,864 | 635,597 | 255,203 | 541,567 | 348,232 |
| VIII | 283,341 | 1,026,776 | 359,211 | 178,468 | 519,795 | 157,436 |
| IX | 474,421 | 1,599,476 | 153,000 | 434,583 | 324,440 | 97,267 |
| X | 283,756 | 967,116 | 293,098 | 244,154 | 41,549 | 166,591 |
| Total | $7,435,170 | $16,817,691 | $5,145,122 | $4,873,201 | $3,108,796 | $2,170,000 |

*Tentative funding distribution; grant awards have not yet been executed.

## IMPOUNDED 1973 FUNDS

Mr. FLOOD. Also for the record give us the distribution of the $12,190,000 appropriated in 1973 and impounded. You remember it was obligated in 1974 under this appropriation. You had better explain how these funds are being used and the time period in which they are going to be used.

[The information follows:]

*$12,190,000 appropriated in fiscal year 1973—released for obligation in fiscal year 1974*

| | |
|---|---|
| Bilingual education (These funds will be used to fund approximately 48 new demonstration projects which were originally submitted in fiscal year 1973 and resubmitted in fiscal year 1974. We expect to award the grants in June and provide funding of the projects through June 1975) | $9,870,000 |
| Children's television workshop (These funds will be added to the current contract to help cover fiscal year 1974 production costs of Sesame Street and The Electric Company, through June 30, 1974) | 1,000,000 |
| Environmental education (These funds will be used with fiscal year 1974 funds to support new projects. We expect to award the grants in June and provide funding of the projects through June 1975) | 820,000 |
| Nutrition and health (These funds will be used to continue for the 3d and final year four demonstration projects which were started in fiscal year 1972. The period of time funded will be from July 1, 1974 through June 30, 1975) | 500,000 |
| Total | 12,190,000 |

## PROGRAM EVALUATION

Mr. FLOOD. With reference to last week's discussion we had with the Commissioner—and you were here—on the subject of evaluation of the education programs, for the record, provide a list of the evaluation studies that have directly influenced the proposals made to Congress and that have influenced any of these decisions on recommending funding levels.

Mr. WHEELER. All right.

[The information follows:]

Management decisions, including funding proposals are influenced by many factors, one of which may be findings from evaluation studies. Evaluation findings are important and are carefully considered, but there is seldom a direct 1-to-1 relationship between evaluation findings and funding proposals or decisions. Evaluation findings are used to modify or improve program management as well as to determine funding levels. In recognition of this we are providing two lists. List I indicates studies which influenced program funding levels. List II indicates studies which influenced legislative proposals and/or program management.

Other proposals for budget reductions or zero funding stemmed not from evaluation studies, but from decisions about priorities in the face of limited resources, or recognition that some programs had achieved their limited objectives and were no longer needed, or the program objectives could be better achieved in other ways. For example, it was felt that the Federal program for public libraries had achieved its goal and it was now appropriate for State and local governments to provide the necessary support.

Thus, the proposal to request only $25 million for fiscal year 1975 as against the fiscal year 1974 level of $46.7 million. In the case of the Follow Through program, this was planned as an experimental program. Now that the results were becoming available it was appropriate to phase down or terminate the experiment rather than continue it indefinitely, especially since it was found that a number of the projects were not successful. With respect to the drug abuse education program it was felt that the Federal effort had called attention to the problem and had demonstrated ways of handling it. Now it was appropriate for the State and local education agencies to assume support. Thus, the decision was made not to request further funds for the program in OE. With respect to aid to land-grant colleges, it was felt that this program had served its purpose and was no longer needed. Similar considerations obtained in the case of other proposed reductions or terminations.

### LIST I—EVALUATION STUDIES WHICH INFLUENCED BUDGET PROPOSALS

1. *ESEA, Title I*—A number of studies of various title I projects were completed including:

1. American Institutes for Research—ESEA, Title I: A Reanalysis and Synthesis of Evaluation Data from fiscal year 1965 through 1970, March 1972.

2. The Planar Corp.: Title I Reading and Mathematics Programs: A Completion and Synthesis of Available Achievement, Expenditure and Model Project Information, August 1973.

3. National Bureau of Standards—Title I Allocation Formula, December 1973.

4. American Institutes for Research—An Analysis of the Relationship Between Reading and Mathematics Achievement Gains and Per-Pupil Expenditures in California Title I Projects, fiscal year 1972.

These studies have been unable to show that the program has been effective in raising the achievement level of disadvantaged children, although a number of SEA's and LEA's have reported gains in the acquisition of basic skills. Because of this uncertainty and taken in conjunction with limits on total resources, budget proposals for the program have been held approximately level ($1.9 billion). Had evaluation studies shown convincing positive gains, more money would have been requested.

The NBS study of the allocation formula showed the ineffectiveness of parts B&C grants and these have been deleted from the funding request.

A currently ongoing study of compensatory reading programs is attempting to assess the single most important problem among disadvantaged children, poor reading skills, and should provide national evidence of achievement when completed in the fall of 1974.

2. *Project information packages (PIP's)*.—The proposal for $3.5 million to develop packages of effective approaches in compensatory education to promote replication stemmed directly from several evaluation studies. These include the American Institutes for Research Studies of 1968, 1969, and 1970 to "identify exemplary programs for the disadvantaged" as well as the aforementioned AIR "reanalysis and synthesis study."

3. *Bilingual program, ESEA, title VII.*—"The Process Evaluation of the Bilingual Program" by Development Associates reaffirmed the shortages in teachers and instructional resources. The requested increase to $70 million for the bilingual program was influenced by these findings.

4. *Emergency school aid (ESAA).*—Annual studies by the Office of Civil Rights indicated that integration was taking place in southern schools. Further it was recognized that the nature of the desegregation problem had now changed so that it was occurring only on a widely scattered geographic basis throughout the country. This influenced the decision to change from a formula grant ($234 million) to a project grant program ($75 million) in order to target resources on the remaining special cases.

5. *Basic opportunity grants (BOG's).* Various analysis and studies have been performed to find the best means to focus student aid on those with the greatest financial need in order to assure equality of access and to broaden choices for postsecondary education. Included in these was a Study of Alternative Student Aid Programs by Mathematica and a Study of Asset Holdings of Farmers Business Owners and Widows by the College Entrance Examination Board. These studies provided input to the development of the BOG's program and to the development of models for estimating costs. Thus, they influenced the fiscal year 1975 budget proposal of $1.3 billion for these programs.

6. *Higher education construction—subsidized loans.*—Interim findings of a study of Higher Education Facilities Construction by Froomkin documented the general lack of need for added facilities construction. This helped influence the budget proposal to reduce this amount by $9 million from the fiscal year 1974 appropriation.

7. *Education broadcasting facilities.*—Surveys of existing facilities made by the National Center for Educational Statistics and preliminary findings from a study of The Future of Educational Telecommunications by Battelle have indicated that approximately 79 percent of households in the United States are within the range of noncommercial television signals. The reduced budget proposal of $7 million was influenced by the findings that most of the target population was being reached and that much of the unserved population can be found in small rural areas.

8. *School assistance in federally affected areas (SAFA).*—As a result of various studies, including a 1970 study by the Battelle Memorial Institute, School Assistance in Federally Affected Areas: A Study of Public Laws 81–874 and 81–815, the administration has proposed a number of changes in the program including reductions in payments to school districts for category B students (whose parents work on Federal property but live on private property). This influenced the decision to request $340 million for the program in fiscal year 1975 as against $593 million appropriated in fiscal year 1974.

## LIST II—EVALUATION STUDIES WHICH HAD AN INFLUENCE ON LEGISLATIVE PROPOSALS AND/OR PROGRAM MANAGEMENT

1. *ESEA, Title I.*—The various studies of title I cited in list 1 have also influenced legislative proposals and program management. The formula allocation study, for example, has provided input to H.R. 69 and S. 1539. The decision to stress basic skills was also influenced by the studies, as well as various administrative effort to improve program management practices.

2. *Right-To-Read Program.*—Studies of right-to-read projects by Contemporary Research, Inc., and Pacific Training Technical Assistance Corp. confirmed the effectiveness of a number of the approaches and strategies used in the program. These approaches are being emphasized in guidance by the program staff to grant recipients.

3. *College Work-Study Program.*—A study of the college work study program by the Bureau of Applied Social Research helped to improve several aspects of program management, including the operation of the award panels. The study also helped influence the decision to continue support for the program.

4. *Guaranteed Student Loan Program.*—A study by the systems group entitled "Subsidy and Default Model for GSLP" provided interim findings which are being used to revamp program management in order to reduce the loan default rate. The findings are also being used to help improve the program information system.

5. *Education Professions Development Act Programs.*—A number of statistical studies by NCES helped document and confirm the extent of the teacher surplus problem. The result is a reduction or phasing out of all EPD programs which contribute to the surplus. Where special teacher shortages exist (bilingual, special education) other authorizations are available and used.

6. *Institutional Support—Higher Education.*—"The Cost of College" by Columbia Research Associates examined the financial crisis in institutions of higher education and found the future of these institutions less bleak than others had predicted. This helped influence the decision to focus resources on student aid rather than institutional aid.

7. *Developing Institutions Program.*—Interim findings from "A Study of the Developing Institutions Program" by the Research Center for Higher Education at the University of California assisted in the establishment of the advanced developing institutions program which accelerates aid to selected institutions.

Mr. FLOOD. Mr. Patten.

### BILINGUAL EDUCATION

Mr. PATTEN. We have a lot of Puerto Ricans that came from the islands. Insofar as we take those little children and have somebody speak Spanish to them so they can understand what is going on makes all the difference in the world.

But some people on the floor seem to think this is unusual. You probably weren't here when I pointed out if you go to the Philippines they have two official languages, English and Spanish. In Switzerland they have three and still they have trouble, a little country like Switzerland, and they have a fourth group. Belgium has been torn apart with two languages.

So the question of dealing with people who speak a predominantly different language is rather common in various countries around the world, and they have met this problem. Of course they have it in Quebec with the Separatists and others who insist everything be in French. The whole world around them is in English.

If you go to a world conference I would say English is the predominant language. But if you do get to a world conference, many persons will know French and not know English. And in some other countries, of course, they may know Spanish.

You are going to add $35 million.

### RIGHT-TO-READ PROGRAM

I want to just comment, Mr. Chairman, about the right to read. It always fascinates me. I remember Dr. Marland coming in here telling us about the right to read. It makes me think of first grade and the teacher of phonetics.

I might say at this point if you have anything new on the right to read I would like to see it, new methods, what instructions material you are using, et cetera. You are going to train the teachers, you are going to get new instructional material and you will have curriculum development, and you are going to disseminate reading information. These are your objectives.

I might say in one phase—and bear in mind I was always told we have 100,000 illiterate adults in D.C.—OEO permitted us to have a night school. I have one night school where they learn to read and write English and they tell me there are 1,600 in attendance and the men and women hate to miss a class. They are so anxious to learn to read and write English. In that connection they prepare some students to receive a high school diploma.

Under OEO it is true we established 11 adult educational courses in my district.

When you have mature adults who might know another language and you are teaching them English you know how fast they learn.

I spoke to a woman who attended the class only Saturdays and she said to me "Mr. Patten, it is hard." At least for her it didn't come easy. She is only learning to read and write English. I got a kick out of it. She said it is very hard. I suppose that would depend on her background.

Such an elementary thing as the right to read haunts us. We have listened in this committee for every year I have been on it and this is No. 1, reading, writing, arithmetic. The right to read. I wonder if we are making any progress for the money we are spending. You are supposed to be a show house and do a little research and determine what is the best way to go and then disseminate the information to our school systems.

I think you are new onboard here aren't you?

Mr. WHEELER. Relatively new, yes, sir.

Mr. Patten. You wouldn't have a feeling that we are getting somewhere?

Mr. Wheeler. Dr. Holloway is here and I am sure she will be glad to explain it.

Dr. Ottina. She has been here 3½ years.

Mr. Patten. Have we had progress or should we omit this from the budget?

Mr. Holloway. No, I don't think we should omit it. We have the evaluation of the community-based program for adults in process now. I believe that will be ready at the end of this fiscal year for the adult portion.

For the school-based demonstration programs we have an evaluation using different instruments, different reading tests, which show that 29 of the 40 did make progress in reading in the demonstration programs.

In terms of our broader involvement though the State education agencies will be turning in an assessment of what they are doing and the impact it will have on the improvement of reading next fiscal year.

Mr. Patten. It is so fundamental and here we are highlighting the right to read. I was born in a town always full of foreigners, people who came from other shores. I have always seen the need for it. Someone who can't read and write well isn't going to become a policeman because of civil service tests. You can't get your motor vehicle license. In Puerto Rico they don't need a driver's license and when they come here they think they can drive without a license. With the language difficulty it is a problem to pass a license test.

But that is how fundamental this is because everybody assumes if we have 54 million children in our schools at least when they get to high school they know how to read.

Mr. Flood. One thing that has interested me is why you fail to stress, in fairness to everybody concerned, that English is a very difficult language, extremely irregular compared to a regular language like Spanish or Italian or Polish. English is so irregular, so very difficult. I wonder why you don't plead that cause sometimes. You have a difficult subject.

Mr. Wheeler. We are very much aware of the difficulty of learning the English language, Mr. Chairman. We are also very much aware of the problems we face in the teaching of reading. We often take this as a commonplace achievement because there are so many people in this country who can read. But the instruction of reading fastens on one the responsibility to teach an abstraction of the first order. It is a very difficult and probably the most demanding of instructional tasks.

Dr. Ottina. Perhaps your observation, Mr. Chairman, is one of the reasons I personally believe there is no single foolproof method of teaching reading, and there are really a multiple number of methods which must be developed that fit individual teachers and individual students. Even the phonetic or word attack method or any of the other methods taught each has its own merits. That is why you find the controversy I think you both noted because English is very, very difficult to teach.

Mr. Flood. The language is so irregular it is difficult?

Dr. OTTINA. Yes.

Mr. FLOOD. Then it is appalling the lack of knowledge of history, especially American history, among American students. It is appalling. But certainly there is great room for improvement in our country on diction.

Thank you very much.

Mr. PATTEN. I might say for the record that I believe that millions of people in the educational school system of our country who are reaching out to 54 million students in primary and secondary schools do end up with a product in over 90-some percent of the cases where they are literate. Is that a fair statement?

Mr. WHEELER. I think that is a fair statement.

### STATISTICAL INFORMATION

Mr. MICHEL. I wonder if you would update some material that we requested for the record last year? Would you see what you can do with the tables from page 321 through page 337, and the one on page 345?

Mr. WHEELER. I will be happy to supply that for the record.

[The information follows:]

### Expenditures of State and Local Governments for Education: United States Total and Selected States 1966-67, 1969-70, 1970-71 and 1971-72

(In millions of dollars)

| State and Year | Expenditures for Education | | | | | |
|---|---|---|---|---|---|---|
| | | | Local Schools | | | |
| | Total | Other Than Capital Outlay | Total | Other Than Capital Outlay | Institutions of Higher Education | Other Education |
| United States Total: | | | | | | |
| 1966-67....... | 38,233.2 | 31,554.0 | 28,065.8 | 23,980.0 | 8,810.1 | 1,356.7 |
| 1969-70....... | 52,717.8 | 45,097.2 | 37,460.9 | 32 802.9 | 12,924.4 | 2,332.5 |
| 1970-71....... | 59,412.7 | 51,298.3 | 41,766.2 | 36,921.1 | 14,785.0 | 2,861.5 |
| 1971-72....... | 64,886.1 | 56,849.8 | 45,658.3 | 40,899.1 | 15,946.2 | 3,281.5 |
| California: | | | | | | |
| 1966-67....... | 4,634.1 | 3,954.7 | 3,445.9 | 2,990.6 | 1,099.0 | 89.2 |
| 1969-70....... | 5,711.3 | 5,157.9 | 4,113.7 | 3,796.5 | 1,474.1 | 123.5 |
| 1970-71....... | 6,252.1 | 5,754.4 | 4,460.1 | 4,187.3 | 1,652.4 | 139.5 |
| 1971-72....... | 6,937.0 | 6,425.6 | 5,098.1 | 4,755.1 | 1,691.2 | 147.6 |
| Florida: | | | | | | |
| 1966-67....... | 971.6 | 816.4 | 738.4 | 643.6 | 204.0 | 29.2 |
| 1969-70....... | 1,554.6 | 1,339.6 | 1,166.0 | 1,003.7 | 325.5 | 63.0 |
| 1970-71....... | 1,773.5 | 1,521.7 | 1,300.5 | 1,114.1 | 396.1 | 76.8 |
| 1971-72....... | 1,918.4 | 1,646.2 | 1,384.2 | 1,202.7 | 452.8 | 81.5 |
| Illinois: | | | | | | |
| 1966-67....... | 1,861.9 | 1,554.5 | 1,403.2 | 1,208.0 | 407.0 | 51.7 |
| 1969-70....... | 2,875.3 | 2,456.7 | 2,026.7 | 1,787.1 | 749.0 | 99.5 |
| 1970-71....... | 3,326.3 | 2,861.1 | 2,351.0 | 2,068.4 | 837.9 | 137.4 |
| 1971-72....... | 3,523.7 | 3,062.0 | 2,454.2 | 2,184.0 | 898.6 | 171.0 |
| New York: | | | | | | |
| 1966-67....... | 4,099.9 | 3,384.0 | 3,204.5 | 2,812.8 | 686.0 | 209.5 |
| 1969-70....... | 5,576.3 | 4,821.9 | 4,295.7 | 3,855.2 | 925.9 | 354.8 |
| 1970-71....... | 6,543.1 | 5,625.1 | 4,870.1 | 4,415.5 | 1,198.6 | 474.4 |
| 1971-72....... | 7,488.2 | 6,551.3 | 5,543.8 | 5,163.8 | 1,422.9 | 521.5 |
| Ohio: | | | | | | |
| 1966-67....... | 1,761.3 | 1,411.5 | 1,337.1 | 1,116.3 | 404.0 | 20.2 |
| 1969-70....... | 2,380.6 | 2,056.9 | 1,730.9 | 1,533.6 | 607.9 | 41.8 |
| 1970-71....... | 2,622.6 | 2,331.0 | 1,874.9 | 1,691.5 | 677.7 | 70.0 |
| 1971-72....... | 2,852.1 | 2,534.5 | 1,997.7 | 1,835.2 | 771.1 | 83.3 |
| Texas: | | | | | | |
| 1966-67....... | 1,872.2 | 1,470.6 | 1,410.9 | 1,142.9 | 435.2 | 26.1 |
| 1969-70....... | 2,444.4 | 2,081.4 | 1,747.4 | 1,517.8 | 643.2 | 53.8 |
| 1970-71....... | 2,826.9 | 2,444.3 | 2,027.6 | 1,782.2 | 729.3 | 69.9 |
| 1971-72....... | 3,089.1 | 2,695.8 | 2,214.7 | 1,942.8 | 788.9 | 85.5 |

NOTE: Because of rounding, detail may not add to totals. The figures include estimates for local governments.

SOURCES: Governmental Finances in 1966-67, Governmental Finances in 1969-70, Governmental Finances in 1970-71, and Governmental Finances in 1971-72

## Percentage Increase in Expenditures of State and Local Governments for Education: United States Total and Selected States, 1966-67 to 1970-71, 1969-70 to 1970-71, and 1970-71 to 1971-72

| State and Time Span | Expenditures for Education | | |
|---|---|---|---|
| | Total | Local Schools | Institutions of Higher Education |
| United States Total: | | | |
| 1966-67 to 1970-71 | 55.3 | 48.8 | 67.8 |
| 1969-70 to 1970-71 | 12.6 | 11.4 | 14.3 |
| 1970-71 to 1971-72 | 9.2 | 9.3 | 7.9 |
| California: | | | |
| 1966-67 to 1970-71 | 34.9 | 29.4 | 50.4 |
| 1969-70 to 1970-71 | 9.4 | 8.4 | 12.0 |
| 1970-71 to 1971-72 | 11.0 | 14.3 | 2.3 |
| Florida: | | | |
| 1966-67 to 1970-71 | 82.5 | 76.1 | 94.1 |
| 1969-70 to 1970-71 | 14.0 | 11.5 | 21.6 |
| 1970-71 to 1971-72 | 8.2 | 6.4 | 14.3 |
| Illionis: | | | |
| 1966-67 to 1970-71 | 78.6 | 67.5 | 105.9 |
| 1969-70 to 1970-71 | 15.6 | 16.0 | 11.9 |
| 1970-71 to 1971-72 | 5.9 | 4.4 | 7.2 |
| New York: | | | |
| 1966-67 to 1970-71 | 59.5 | 51.9 | 74.7 |
| 1969-70 to 1970-71 | 17.3 | 13.3 | 29.4 |
| 1970-71 to 1971-72 | 14.4 | 13.8 | 18.7 |
| Ohio: | | | |
| 1966-67 to 1970-71 | 48.9 | 40.2 | 67.7 |
| 1969-70 to 1970-71 | 10.1 | 8.3 | 11.4 |
| 1970-71 to 1971-72 | 8.8 | 6.5 | 13.8 |
| Texas: | | | |
| 1966-67 to 1970-71 | 50.9 | 43.7 | 67.5 |
| 1969-70 to 1970-71 | 15.6 | 16.0 | 13.3 |
| 1970-71 to 1971-72 | 9.3 | 9.2 | 8.2 |

SOURCE: Columns 2, 4, and 6 of preceding table ("Expenditures of State and Local Governments for Education").

### Number of Public School Instruction Rooms Completed, 1968-69 to 1970-71, and Number Available, Fall 1970: United States Total and Selected States

| State | Instruction Rooms Completed | | | Instruction Rooms Available, Fall 1971 |
|---|---|---|---|---|
| | 1968-69 | 1969-70 | 1970-71 | |
| United States Total 1/ | 69,700 | 66,100 | 65,300 | 1,918,000 |
| California | 5,000 | 4,000 | 2/ | 174,900 3/ |
| Florida | 2,410 | 2,815 | 2,529 | 53,517 |
| Illinois | 2,594 | 2,100 | 1,900 | 101,800 |
| New York | 6,400 | 4,221 | 5,110 | 143,743 |
| Ohio | 3,367 | 2/ | 2/ | 93,028 4/ |
| Texas | 2,734 | 2,854 | 2,092 | 118,644 3/ |

1/ Includes estimates for the nonreporting States.
2/ Data not available.
3/ Data for Fall 1970
4/ Data for Fall 1969

SOUCE: Fall Statistics of Public Schools, 1969, 1970, and 1971.

This is latest available data.

Number of Institutions of Higher Education Added to
the Office of Education Universe:
United States Total and Selected States
Fall 1968 to Fall 1973

| | Total | Public | | Private | |
|---|---|---|---|---|---|
| | | 4-year | 2-year | 4-year | 2-year |
| United States Total: | | | | | |
| (1968-1972)............... | 330 | 33 | 167 | 84 | 46 |
| 1968.................. | 40 | 3 | 29 | 5 | 3 |
| 1969.................. | 45 | 1 | 34 | 7 | 3 |
| 1970.................. | 30 | 6 | 18 | 5 | 1 |
| 1971.................. | 31 | 5 | 21 | 4 | 1 |
| 1972.................. | 86 | 11 | 38 | 28 | 9 |
| 1973.................. | 98 | 7 | 27 | 35 | 29 |
| Selected States: | | | | | |
| California | | | | | |
| (1968-73)................ | 28 | 1 | 10 | 12 | 5 |
| 1968.................. | 1 | -- | 1 | -- | -- |
| 1969.................. | 5 | -- | 4 | -- | 1 |
| 1970.................. | 2 | 1 | 1 | -- | -- |
| 1971.................. | 2 | -- | 1 | 1 | -- |
| 1972.................. | 9 | -- | -- | 7 | 2 |
| 1973.................. | 9 | -- | 3 | 4 | 2 |
| Florida | | | | | |
| (1968-1973)............... | 6 | 1 | 2 | 2 | 1 |
| 1968.................. | 2 | 1 | 1 | -- | -- |
| 1969.................. | 1 | -- | -- | 1 | -- |
| 1970.................. | -- | -- | -- | -- | -- |
| 1971.................. | -- | -- | -- | -- | -- |
| 1972.................. | 1 | -- | -- | 1 | -- |
| 1973.................. | 2 | -- | 1 | -- | 1 |
| Illinois | | | | | |
| (1968-1973)............... | 13 | 2 | 9 | 2 | -- |
| 1968.................. | 6 | -- | 6 | -- | -- |
| 1969.................. | 2 | -- | 2 | -- | -- |
| 1970.................. | 1 | 1 | -- | -- | -- |
| 1971.................. | 2 | 1 | -- | 1 | -- |
| 1972.................. | 2 | -- | 1 | 1 | -- |
| 1973.................. | -- | -- | -- | -- | -- |
| New York | | | | | |
| (1968-1973)............... | 54 | 6 | 7 | 22 | 19 |
| 1968.................. | 5 | 1 | 2 | 2 | -- |
| 1969.................. | 3 | -- | 3 | -- | -- |
| 1970.................. | 2 | 1 | 1 | -- | -- |
| 1971.................. | 3 | 1 | 1 | 1 | -- |
| 1972.................. | 6 | 2 | -- | 3 | 1 |
| 1973.................. | 35 | 1 | -- | 16 | 18 |

A

Table 3.--Enrollment in grades K-8 and 9-12 of regular day schools, by institutional control: United States, fall 1962 to 1982 1/

[In thousands]

| Year (fall) | Total public and nonpublic | | | Public | | | Nonpublic (estimated) 2/ | | |
|---|---|---|---|---|---|---|---|---|---|
| | K-12 | K-8 | 9-12 | K-12 | K-8 | 9-12 | K-12 | K-8 | 9-12 3/ |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| 1962 | 44,849 | 33,537 | 11,312 | 38,749 | 28,637 | 10,112 | 6,100 | 4,900 | 1,200 |
| 1963 | 46,487 | 34,304 | 12,183 | 40,187 | 29,304 | 10,883 | 6,300 | 5,000 | 4/ 1,300 |
| 1964 | 47,716 | 35,025 | 12,691 | 41,416 | 30,025 | 11,391 | 6,300 | 5,000 | 4/ 1,300 |
| 1965 | 48,473 | 35,463 | 13,010 | 42,173 | 30,563 | 11,610 | 6,300 | 4/4,900 | 4/ 1,400 |
| 1966 | 49,239 | 35,945 | 13,294 | 43,039 | 31,145 | 11,894 | 6,200 | 4,800 | 1,400 |
| 1967 | 49,891 | 36,241 | 13,650 | 43,891 | 31,641 | 12,250 | 6,000 | 4,600 | 1,400 |
| 1968 | 50,744 | 36,626 | 14,118 | 44,944 | 32,226 | 12,718 | 5,800 | 4,400 | 4/ 1,400 |
| 1969 | 51,119 | 36,797 | 14,322 | 45,619 | 32,597 | 13,022 | 5,500 | 4,200 | 1,300 |
| 1970 | 51,309 | 36,677 | 14,632 | 45,909 | 32,577 | 13,332 | 5,400 | 5/4,100 | 5/ 1,300 |
| 1971 | 51,281 | 36,165 | 15,116 | 46,081 | 32,265 | 13,816 | 5,200 | 6/3,900 | 6/ 1,300 |
| 1972 | 50,754 | 35,544 | 15,209 | 45,754 | 31,844 | 13,909 | 5,000 | 6/3,700 | 6/ 1,300 |
| | P R O J E C T E D 7/ | | | | | | | | |
| 1973 | 50,300 | 34,800 | 15,400 | 45,400 | 31,200 | 14,100 | 4,900 | 3,600 | 1,300 |
| 1974 | 49,700 | 34,100 | 15,600 | 44,900 | 30,600 | 14,300 | 4,800 | 3,500 | 1,300 |
| 1975 | 49,200 | 33,600 | 15,700 | 44,500 | 30,200 | 14,400 | 4,700 | 3,400 | 1,300 |
| 1976 | 48,700 | 33,100 | 15,600 | 44,100 | 29,800 | 14,300 | 4,600 | 3,300 | 1,300 |
| 1977 | 48,000 | 32,400 | 15,500 | 43,500 | 29,200 | 14,200 | 4,500 | 3,200 | 1,300 |
| 1978 | 47,100 | 31,700 | 15,400 | 42,700 | 28,600 | 14,100 | 4,400 | 3,100 | 1,300 |
| 1979 | 46,200 | 31,200 | 15,000 | 41,900 | 28,200 | 13,700 | 4,300 | 3,000 | 1,300 |
| 1980 | 45,700 | 31,200 | 14,400 | 41,400 | 28,200 | 13,100 | 4,300 | 3,000 | 1,300 |
| 1981 | 45,300 | 31,400 | 13,900 | 41,000 | 28,400 | 12,600 | 4,300 | 3,000 | 1,300 |
| 1982 | 45,100 | 31,700 | 13,400 | 40,800 | 28,700 | 12,100 | 4,300 | 3,000 | 1,300 |

Footnotes to table 3.

1/ Does not include independent nursery schools and kindergartens, residential schools for exceptional children, subcollegiate departments of institutions of higher education, Federal schools for Indians, federally operated schools on Federal installations, and other schools not in the regular school system.

2/ Estimated unless otherwise noted. Estimates for years prior to 1965 revised in spring 1968 on basis of 1965 Office of Education survey.

3/ Includes some pupils enrolled in grades 7 and 8 of nonpublic secondary schools in 1965 through 1968.

4/ Reported data from Office of Education surveys.

5/ Estimates are based on reported data from the Office of Education and the National Catholic Education Association.

6/ Estimates are based on reports from the National Catholic Education Association.

7/ The projection of fall enrollment in regular day schools is based on the following assumptions: (1) Enrollment rates of the 5- and 6-year-old population in public school kindergarten and grade 1 will follow the 1962-1972 trends; (2) The public school enrollment in grade 7 in a given year t will exceed the public school enrollment in grade 6 in year t-1 by 3.1 percent of the projected enrollment in grades K-8 in Catholic elementary schools in year t-1; (3) The public school enrollment in grade 9 in year t will exceed the public school enrollment in grade 8 in year t-1 by 4.8 percent of the projected enrollment in grades K-8 in Catholic elementary schools in year t-1; (4) The retention rates of all other public school grades will remain constant at the average of the rates for the past three years; (5) Enrollments in grades K-8 in Catholic elementary schools will decrease from 2.9 million in 1972 to 2.0 million in 1982; and (6) Enrollments in grades K-8 in all regular nonpublic day schools will decrease through 1982; grades 9-12 in these schools will remain constant at the 1970 level.

Footnotes to table 3. (Cont'd)

NOTE.--Data are for 50 States and the District of Columbia for all years. Because of rounding, detail may not add to totals.

SOURCE: Enrollment data and estimates are based on (1) U.S. Department of Health, Education, and Welfare, Office of Education publications: (a) "Statistics of Public Schools," fall 1964 through 1972; (b) "Enrollment, Teachers, and Schoolhousing," fall 1962 and 1963; (c) Prepublication data from "Statistics of Nonpublic Elementary and Secondary Schools, 1970-71"; (d) "Statistics of Public and Nonpublic Elementary and Secondary Day Schools, 1968-69"; (e) "Statistics of Nonpublic Elementary and Secondary Schools, 1965-66"; (f) "Nonpublic School Enrollment in Grades 9-12, Fall 1964, and Graduates, 1963-64"; (g) "Statistics of Nonpublic Elementary Schools, 1961-62"; (h) "Statistics of Nonpublic Secondary Schools, 1960-61"; and (2) National Catholic Educational Association Publications: (a) "A Report on U.S. Catholic Schools, 1970-71"; (b) "U.S. Catholic Schools, 1971-72"; and (c) prepublication data from "U.S. Catholic Schools, 1972-73."

The population projections as of October 1, of 5- and 6-year-olds on which the enrollment projections in kindergarten and grade 1 are based, are constistent with Series population projections in U.S. Department of Commerce, Bureau of the Census, "Current Population Reports," Series P-25, No. 493, December 1972. The D,E, and F population projections, together with definitions of each series, are shown in appendix B, table B-1.

For enrollment projections based on population projection series D and Series F, see appendix B, table B-3 and B-4.

8

Table 5.--Summary of enrollment in all institutions of higher education, by degree-credit status and institutional type: United States, fall 1962 to 1982

/Resident and extension opening fall enrollment--in thousands/

| Year (fall) | Total degree-credit and non-degree-credit enrollment | Degree-credit | | | Non-degree-credit | | |
|---|---|---|---|---|---|---|---|
| | | Total | 4-year | 2-year | Total | 4-year | 2-year |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1962 | 4,404 | 4,175 | 3,585 | 590 | 229 | 45 | 184 |
| 1963 | 4,766 | 4,495 | 3,870 | 625 | 271 | 52 | 220 |
| 1964 | 5,280 | 4,950 | 4,239 | 711 | 330 | 52 | 278 |
| 1965 | 5,921 | 5,526 | 4,685 | 841 | 395 | 63 | 332 |
| 1966 1/ | 6,390 | 5,928 | 4,984 | 945 | 462 | 80 | 381 |
| 1967 1/ | 6,912 | 6,406 | 5,325 | 1,081 | 505 | 73 | 432 |
| 1968 | 7,513 | 6,928 | 5,639 | 1,289 | 585 | 82 | 503 |
| 1969 | 8,005 | 7,484 | 5,956 | 1,528 | 521 | 72 | 448 |
| 1970 | 8,581 | 7,920 | 6,290 | 1,630 | 661 | 68 | 593 |
| 1971 | 8,949 | 8,116 | 6,391 | 1,725 | 833 | 72 | 761 |
| 1972 | 9,215 | 8,265 | 6,473 | 1,792 | 950 | 76 | 874 |
| | | | | PROJECTED 2/ | | | |
| 1973 | 9,385 | 8,370 | 6,512 | 1,858 | 1,015 | 74 | 941 |
| 1974 | 9,568 | 8,491 | 6,563 | 1,928 | 1,077 | 73 | 1,004 |
| 1975 | 9,802 | 8,645 | 6,638 | 2,007 | 1,157 | 73 | 1,084 |
| 1976 | 10,034 | 8,811 | 6,724 | 2,087 | 1,223 | 73 | 1,150 |
| 1977 | 10,242 | 8,965 | 6,811 | 2,154 | 1,277 | 72 | 1,205 |
| 1978 | 10,406 | 9,069 | 6,862 | 2,207 | 1,337 | 72 | 1,265 |
| 1979 | 10,485 | 9,099 | 6,861 | 2,238 | 1,386 | 72 | 1,314 |
| 1980 | 10,517 | 9,097 | 6,842 | 2,255 | 1,420 | 70 | 1,350 |
| 1981 | 10,516 | 9,051 | 6,790 | 2,261 | 1,465 | 70 | 1,395 |
| 1982 | 10,416 | 8,927 | 6,684 | 2,243 | 1,489 | 69 | 1,420 |

Footnotes for table 5.

1/ The breakdown between degree-credit and non-degree-credit enrollment in 1966 and 1967 is estimated. See appendix A, "Estimation Methods," sections 3d-3g.

2/ For assumptions underlying these projections and for methods of projecting, see footnotes to tables 6 and 9, and table A-1 in appendix A.

NOTE:--Data are for 50 States and the District of Columbia for all years. Because of rounding, detail may not add to totals.

SOURCES: Enrollment data and estimates are based on U.S. Department of Health, Education, and Welfare, Office of Education publications: (1) "Opening (Fall) Enrollment in Higher Education," annually, 1962 through 1968, 1971 and 1972; (2) "Fall Enrollment in Higher Education, Supplementary Information," 1969 and 1970; (3) data from Resident and Extension Enrollment in Institutions of Higher Education," fall 1966 (unpublished); and (4) "Resident and Extension Enrollment in Institutions of Higher Education, First Term 1961."

## Table 36 —Expenditures (current dollars) of regular educational institutions by instructional level and institutional control: United States, 1962–63 to 1974–75 – Continued

(In billions of current dollars)

| Year and control | Total (all levels) | Elementary and secondary schools[1] (nonpublic school expenditures estimated on the basis of expenditures per teacher in public schools) | | | | Institutions of higher education[2] | | |
|---|---|---|---|---|---|---|---|---|
| | | Total | Current expenditures[3] | Capital outlay[4] | Interest[5] | Total | Current expenditures[6] | Capital outlay[7] |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1962–63 | | | | | | | | |
| Total | $32.4 | $22.2 | $18.4 | $3.1 | $0.7 | $10.2 | $7.7 | $2.5 |
| Public | 25.3 | 19.5 | 16.2 | 2.7 | 0.6 | 5.8 | 4.2 | 1.6 |
| Nonpublic | 7.1 | 2.7 | 2.2 | 0.4 | 0.1 | 4.4 | 3.5 | .9 |
| 1963–64: | | | | | | | | |
| Total | 35.6 | 24.3 | 20.0 | 3.5 | 0.8 | 11.3 | 8.8 | 2.5 |
| Public | 27.8 | 21.4 | 17.6 | 3.1 | 0.7 | 6.4 | 4.9 | 1.5 |
| Nonpublic | 7.8 | 2.9 | 2.4 | 0.4 | 0.1 | 4.9 | 3.9 | 1.0 |
| 1964–65: | | | | | | | | |
| Total | 39.6 | 26.7 | 21.6 | 4.2 | 0.9 | 12.9 | 10.1 | 2.8 |
| Public | 30.8 | 23.6 | 19.1 | 3.7 | 0.8 | 7.2 | 5.6 | 1.6 |
| Nonpublic | 8.8 | 3.1 | 2.5 | 0.5 | 0.1 | 5.7 | 4.5 | 1.2 |
| 1965–66: | | | | | | | | |
| Total | 44.9 | 29.7 | 24.5 | 4.3 | 0.9 | 15.2 | 11.9 | 3.3 |
| Public | 35.1 | 26.3 | 21.7 | 3.8 | 0.8 | 8.8 | 6.7 | 2.1 |
| Nonpublic | 9.8 | 3.4 | 2.8 | 0.5 | 0.1 | 6.4 | 5.2 | 1.2 |
| 1966–67: | | | | | | | | |
| Total | 49.4 | 31.9 | 26.4 | 4.5 | 1.0 | 17.5 | 13.6 | 3.9 |
| Public | 38.7 | 28.3 | 23.4 | 4.0 | 0.9 | 10.4 | 7.9 | 2.5 |
| Nonpublic | 10.7 | 3.6 | 3.0 | 0.5 | 0.1 | 7.1 | 5.7 | 1.4 |
| 1967–68: | | | | | | | | |
| Total | 56.9 | 37.0 | 31.1 | 4.8 | 1.1 | 19.9 | 15.8 | 4.1 |
| Public | 45.3 | 33.0 | 27.7 | 4.3 | 1.0 | 12.3 | 9.6 | 2.7 |
| Nonpublic | 11.6 | 4.0 | 3.4 | 0.5 | 0.1 | 7.6 | 6.2 | 1.4 |
| 1968–69: | | | | | | | | |
| Total | 61.7 | 39.6 | 33.3 | 5.2 | 1.1 | 22.1 | 17.8 | 4.3 |
| Public | 49.6 | 35.5 | 29.8 | 4.7 | 1.0 | 14.1 | 10.9 | 3.2 |
| Nonpublic | 12.1 | 4.1 | 3.5 | 0.5 | 0.1 | 8.0 | 6.9 | 1.1 |
| 1969–70: | | | | | | | | |
| Total | 69.9 | 45.2 | 38.7 | 5.2 | 1.3 | 24.7 | 20.3 | 4.4 |
| Public | 56.6 | 40.8 | 34.9 | 4.7 | 1.2 | 15.8 | 12.7 | 3.1 |
| Nonpublic | 13.3 | 4.4 | 3.8 | 0.5 | 0.1 | 8.9 | 7.6 | 1.3 |

See footnotes at end of table

| Year and control | Total (all levels) | Elementary and secondary schools[1] (nonpublic school expenditures estimated on the basis of expenditures per teacher in public schools) | | | | Institutions of higher education[2] | | |
|---|---|---|---|---|---|---|---|---|
| | | Total | Current expenditures[3] | Capital outlay[4] | Interest[5] | Total | Current expenditures[6] | Capital outlay[7] |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1970–71: | | | | | | | | |
| Total | 76.0 | 48.9 | 41.9 | 5.6 | 1.4 | 27.1 | 22.8 | 4.3 |
| Public | 62.0 | 44.3 | 37.9 | 5.1 | 1.3 | 17.7 | 14.6 | 3.1 |
| Nonpublic | 14.0 | 4.6 | 4.0 | 0.5 | 0.1 | 9.4 | 8.2 | 1.2 |
| 1971–72: | | | | | | | | |
| Total | 83.0 | 53.5 | 46.2 | 5.5 | 1.8 | 29.5 | 25.2 | 4.3 |
| Public | 68.0 | 48.5 | 41.9 | 5.0 | 1.6 | 19.5 | 16.3 | 3.2 |
| Nonpublic | 15.0 | 5.0 | 4.3 | 0.5 | 0.2 | 10.0 | 8.9 | 1.1 |
| 1972–73: | | | | | | | | |
| Total | 89.2 | 57.2 | 49.9 | 5.5 | 1.8 | 32.0 | 27.2 | 4.8 |
| Public | 73.1 | 51.9 | 45.3 | 5.0 | 1.6 | 21.2 | 17.7 | 3.5 |
| Nonpublic | 16.1 | 5.3 | 4.6 | 0.5 | 0.2 | 10.8 | 9.5 | 1.3 |
| | PROJECTED | | | | | | | |
| 1973–74: | | | | | | | | |
| Total | 96.0 | 61.3 | 53.4 | 5.9 | 2.0 | 34.7 | 29.5 | 5.2 |
| Public | 78.8 | 55.8 | 48.6 | 5.4 | 1.8 | 23.0 | 19.2 | 3.8 |
| Nonpublic | 17.2 | 5.5 | 4.8 | 0.5 | 0.2 | 11.7 | 10.3 | 1.4 |
| 1974–75: | | | | | | | | |
| Total | 103.1 | 65.5 | 57.0 | 6.4 | 2.1 | 37.6 | 31.9 | 5.7 |
| Public | 84.5 | 59.6 | 51.9 | 5.8 | 1.9 | 24.9 | 20.7 | 4.2 |
| Nonpublic | 18.6 | 5.9 | 5.1 | 0.6 | 0.2 | 12.7 | 11.2 | 1.5 |

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[1] Excludes expenditures for residential schools for exceptional children, subcollegiate departments of institutions of higher education, Federal schools for Indians, and federally operated schools on Federal installations. See text table on expenditures by source of funds for data on these schools. All nonpublic elementary and secondary school expenditures shown here are estimated on the basis of expenditures per teacher in public elementary and secondary schools.

[2] Includes expenditures for subcollegiate departments of institutions of higher education estimated at $90 million in 1972–73. Includes expenditures for interest from current funds and excludes interest paid from plant funds. (An estimated $275 million was expended for total interest in 1972–73.)

[3] Includes current expenditures of public elementary and secondary school systems for community services, summer schools, community colleges, and adult education. Interest is included in the estimated current expenditures of nonpublic schools.

[4] Includes capital outlay of State and local school building authorities.

[5] Interest for nonpublic schools is based on interest for public schools.

[6] Includes expenditures for interest from current funds. Excludes expenditures from current funds. Excludes expenditures from current funds for capital outlay.

[7] The estimated annual capital outlay data shown here include estimated expenditures for replacement and rehabilitation.

NOTE.–Data are for 50 States and the District of Columbia.

SOURCES. Data are a summary of tables 37 through 43, each of which indicates sources of data.

TABLE D.--1ST COLLEGE ENROLLMENT COMPARED WITH BACHELOR'S DEGREES CONFERRED 4 YEARS LATER: UNITED STATES, 1962-66 TO 1967-71

| | 1st Time Degree-Credit Students | Year | Bachelor's Degrees Conferred | Degrees as a Percent of 1st Time Enrollment |
|---|---|---|---|---|
| Fall of-- | | | | |
| 1962........................ | 1,030,554 | 1965-66 | 519,804 | 50.4 |
| 1963........................ | 1,046,417 | 1966-67 | 558,316 | 53.4 |
| 1964........................ | 1,224,840 | 1967-68 | 632,289 | 51.6 |
| 1965........................ | 1,441,822 | 1968-69 | 728,845 | 50.6 |
| 1966........................ | 1/1,480,000 | 1969-70 | 792,316 | 53.5 |
| 1967........................ | 1/1,562,000 | 1970-71 | 839,730 | 53.8 |
| 1968........................ | 1,629,751 | 1971-72 | 1/876,000 | 53.8 |

1/ Estimated

Note: The above table indicates that approximately 1/2 of the 1st-time college students complete 4 years of college work and earn a bachelor's degree.

Source: U.S. Department of Health, Education, and Welfare, Office of Education, Projections of Educational Statistics to 1980-81, Opening (Fall) Enrollment in Higher Education, 1957-1967; Earned Degrees Conferred by Institutions of Higher Education 1960-61 through 1970-71.

Table 48.--Enrollment in federally aided vocational education classes by type of program and by level of instruction: United States and outlying areas, fiscal years 1970 to 1972

| Level and type of program | 1970 | 1971 | 1972 | Percent change, 1971 to 1972 |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| All programs*........ | 8,793,960 | 10,525,660 | 11,710,767 | 11.3 |
| Secondary*......... | 5,114,451 | 6,506,375 | 7,278,523 | 11.9 |
| Postsecondary*..... | 1,013,426 | 1,148,312 | 1,336,191 | 16.4 |
| Adult*............. | 2,666,083 | 2,870,973 | 3,096,053 | 7.8 |
| Special needs*..... | 1/805,384 | 1/1,423,710 | 1/ 1,635,782 | 14.9 |
| Agriculture.......... | 852,983 | 845,085 | 896,460 | 6.1 |
| Secondary.......... | 550,823 | 562,141 | 603,324 | 7.3 |
| Postsecondary...... | 23,381 | 28,418 | 34,924 | 22.9 |
| Adult.............. | 278,779 | 254,526 | 258,212 | 1.5 |
| Special needs...... | 1/69,087 | 1/94,128 | 1/100,226 | 6.5 |
| Distributive......... | 529,365 | 578,075 | 640,423 | 10.8 |
| Secondary | 230,007 | 241,119 | 262,730 | 9.0 |
| Postsecondary...... | 82,160 | 85,859 | 102,844 | 19.8 |
| Adult.............. | 217,198 | 251,097 | 274,849 | 9.5 |
| Special needs...... | 1/47,272 | 1/ 61,877 | 1/63,793 | 3.0 |
| Health............... | 198,044 | 269,546 | 336,652 | 24.9 |
| Secondary.......... | 31,915 | 43,300 | 59,466 | 37.3 |
| Postsecondary...... | 102,515 | 137,943 | 177,466 | 28.7 |
| Adult.............. | 63,614 | 88,303 | 99,720 | 12.9 |
| Special needs...... | 1/20,179 | 1/39,953 | 1/48,708 | 21.9 |
| Home economics....... | 2,570,410 | 3,129,804 | 3,445,698 | 10.1 |
| Secondary.......... | 1,934,059 | 2,416,207 | 2,630,997 | 8.9 |
| Postsecondary...... | 44,259 | 52,792 | 68,604 | 30.0 |
| Adult.............. | 592,092 | 660,805 | 746,097 | 12.9 |
| Special needs...... | 1/233,000 | 1/526,518 | 1/665,350 | 26.4 |
| Office............... | 2,111,160 | 2,226,854 | 2,351,978 | 5.6 |
| Secondary.......... | 1,331,257 | 1,395,909 | 1,507,664 | 8.0 |
| Postsecondary...... | 331,001 | 335,198 | 360,245 | 7.5 |
| Adult.............. | 448,902 | 495,747 | 483.969 | -2.4 |
| Special needs...... | 1/197,359 | 1/287,231 | 1/294,491 | 2.5 |
| Technical............ | 271,730 | 313,860 | 337,069 | 7.4 |
| Secondary.......... | 34,386 | 36,163 | 38,820 | 7.4 |
| Postsecondary...... | 151,621 | 177,718 | 189,468 | 6.6 |
| Adult.............. | 85,723 | 99,979 | 108,781 | 8.8 |
| Special needs...... | 1/13,373 | 1/23,511 | 1/28,332 | 20.5 |
| Trades and industry.. | 1,906,133 | 2,075,166 | 2,397,968 | 15.6 |
| Secondary.......... | 692,396 | 809,140 | 952,283 | 17.7 |
| Postsecondary...... | 261,182 | 309,812 | 356,879 | 15.2 |
| Adult.............. | 952,555 | 956,214 | 1,088,806 | 13.9 |
| Special needs...... | 1/182,642 | 1/265,894 | 1/275,219 | 3.5 |
| Other................ | 354,135 | 1,087,270 | 1,304,619 | 20.0 |
| Secondary.......... | 309,608 | 1,002,396 | 1,223,239 | 22.0 |
| Postsecondary...... | 17,307 | 20,572 | 45,761 | 122.4 |
| Adult.............. | 27,220 | 64,302 | 35,619 | -44.6 |
| Special needs...... | 1/42,472 | 1/124,588 | 1/159,753 | 28.2 |

*Includes some duplicated enrollment.

1/Disadvantaged persons included in distribution by level above.

SOURCES: U.S. Department of Health, Education, and Welfare, Office of Education, annual reports on Vocational and Technical Education; and unpublished data.

TABLE F.--Enrollment in federally aided vocational classes, by type of program--United States and outlying areas--1972 (fiscal year)

| | |
|---|---|
| Total (includes 1,304,619 enrolled in other classes not classified by type of program) | 11,710,767 1/ |
| Agriculture | 896,460 |
| Distributive occupations | 640,423 |
| Home economics | 3,445,698 |
| Trades and industry | 2,397,968 |
| Health occupations | 336,652 |
| Technical occupations | 337,069 |
| Office occupations | 2,351,878 |

1/ Includes same duplicated enrollment

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education
Elementary and Secondary Education Act of 1965, P.L. 89-10 As Amended
Title I, Assistance for Educationally Deprived Children

| Fiscal Year | Elementary and Secondary School Enrollment | Number of Children Counted for Entitlement Under Title I | Participating in Title I | | Amount Appropriated |
|---|---|---|---|---|---|
| | | | Number of Children | Number of School Districts | |
| 1966............ | 49,239,000 | 5,596,158 | 8,300,000 | 17,500 | $ 959,000,000 |
| 1967............ | 49,891,000 | 6,312,552 | 9,100,000 | 16,400 | 1,053,410,000 |
| 1968............ | 50,744,000 | 6,669,796 | 7,900,000 | 16,000 | 1,191,000,000 |
| 1969............ | 51,119,000 | 6,965,504 | 7,900,000 | 15,700 | 1,123,127,000 |
| 1970............ | 51,309,000 | 7,270,597 | 7,900,000 | 14,200 | 1,339,050,900 |
| 1971............ | 51,281,000 | 7,746,008 | 6,682,414 | 14,200 | 1,500,000,000 |
| 1972............ | 50,754,000 | 8,451,835 | 6,645,475 | 13,900 | 1,597,500,000 |
| 1973............ | 50,300,000 | 8,855,901 | 6,666,420 | 13,900 | 1,585,185,000 |
| 1974............ | 49,700,000 | 6,623,444 | 6,500,000 | 13,900 | 1,719,500,000 |

## EDUCATIONAL BROADCASTING FACILITIES

Mr. Michel. How will the reduction in the educational broadcasting facilities program affect the number of stations you are able to help?

Mr. Wheeler. Reduction in the appropriation for the educational broadcasting facilities program will result in some reduction in the number of stations that can be helped. However, the need for additional education TV stations is diminishing and the trend in making grants through this program since 1970 has been to place larger proportions of the moneys available into the support of expansion and improvements projects.

Mr. Michel. Would you give us some comparative figures for the past 2 or 3 years?

Mr. Wheeler. Comparative figures on support provided through the educational broadcasting facilities program since its inception can be supplied for the record.

[The information follows:]

EDUCATIONAL BROADCASTING FACILITIES PROGRAM—OBLIGATIONS

[Dollar amounts in millions]

| | Television | | Radio | | Total | |
|---|---|---|---|---|---|---|
| | Number of projects | Amount | Number of projects | Amount | Number of projects | Amount |
| Fiscal year 1972 (actual): | | | | | | |
| Activations | 10 | $3.3 | 7 | $0.6 | 17 | $3.9 |
| Expansions/improvements | 33 | 8.2 | 19 | .9 | 52 | 9.1 |
| Total | 43 | 11.5 | 26 | 1.5 | 69 | 13.0 |
| Fiscal year 1973 (actual): | | | | | | |
| Activations | 8 | 3.2 | 10 | .9 | 18 | 4.1 |
| Expansions/improvements | 40 | 7.9 | 20 | 1.0 | 60 | 8.9 |
| Total | 48 | 11.1 | 30 | 1.9 | 78 | 13.0 |
| Fiscal year 1974 (estimate): | | | | | | |
| Activations | 9 | 3.6 | 15 | 1.4 | 24 | 5.0 |
| Expansions/improvements | 47 | 9.6 | 22 | 1.1 | 69 | 10.7 |
| Total | 56 | 13.2 | 37 | 2.5 | 93 | 15.7 |

Mr. Michel. Will you reduce the size of grants as well?

Mr. Wheeler. No, we won't.

Mr. Michel. What other funding sources are there for public broadcasting?

Mr. Wheeler. The educational broadcasting facilities program is the only substantial source of Federal moneys for public broadcasting facilities. The Corporation for Public Broadcasting does support the cost of some interconnections. Otherwise funds for facilities come from a variety of State and local sources. Increasingly State moneys are appropriated toward cost of providing facilities.

Mr. Michel. You made some changes in the priorities of this program for this year, didn't you? Do your current priorities depart radically from what you have been doing in the past?

Mr. Wheeler. There are some changes in the priorities for fiscal year 1974 which reflect the evolving needs as well as the pattern of funding projects over the past several years. In making decisions as to whether to fund applications for new stations or for expansion or improvement of existing stations, factors which are taken into account include: Population to be served; availability of other education broadcast stations in the State; ability of the applicant to provide matching funds for the requested grant; ability of the applicant to support the operation of the broadcast facility; services to be rendered to meet identified community needs; and representation of the community in planning and in managing the operations.

Mr. Michel. What has been the trend insofar as support of new radio and television stations is concerned? Are you helping fewer than in the past?

Mr. Wheeler. Generally more funds in the last 4 years went to support of the expansion and improvement of existing TV stations rather than for activating new ones. Since the 1967 authorization for the use of funds to support new radio stations, the number of activations has increased. Of course, as funds available have decreased, there has been a proportionate decrease in the total number of grantees.

## DRUG ABUSE EDUCATION

Mr. Michel. What is the rationale for termination of the drug abuse education program?

Mr. Wheeler. There are funds under other authorities, particularly section 409 of Public Law 92-255, for which $35 million will be available to the States in fiscal year 1975 to administer comprehensive State plans in drug abuse prevention. Education activities will be included in each of these plans. In addition, it would be possible under the consolidation of education funding as in H.R. 69 or S. 1539 to continue the support of the present training activities which the drug abuse education program is conducting in fiscal year 1974.

## FOLLOW THROUGH PROGRAM

Mr. Michel. What do we say to those who tell us you shouldn't be phasing out the Follow Through program? Have you learned everything that can be learned from this? Do we know now what are the most effective ways of educating disadvantaged children?

Mr. Wheeler. Follow Through is a research program. We have been collecting data on participating children, their parents and teachers over a period of several years. While we have learned much from this experiment, it is probable that researchers will be conducting analyses of these data in the next several decades. At present we do have indications based on our most recent analysis of the data that certain approaches being implemented in the program are having positive effects on Follow Through children.

Mr. Shriver. Although the authorizing legislation runs out for Follow Through at the end of fiscal 1974, it will be automatically extended for 1 final year; is that correct?

Mr. Wheeler. Under the general provisions for education programs of ESEA, section 400, Follow Through, as a program delegated to the Commissioner of education, may be extended for 1 year.

Mr. SHRIVER. You have not requested legislation to extend this program further, but such legislation is being considered, is it not? What is that status of that legislation?

Mr. WHEELER. I am aware that HEW did submit to the Speaker of the House on March 18, 1974, legislative language that would extend Follow Through for 2 years by making it a new section under title VIII of ESEA.

I understand also that some legislation is being considered which would extend the authorization of the Economic Opportunity Act programs of which Follow Through is currently one.

Mr. SHRIVER. The Office of Education informed Follow Through school districts of the planned termination of the program last year, and local school officials, including those in my home town of Wichita, Kans., have been making the necessary plans for retaining the most successful parts of the program. They cannot handle the whole financial load to continue everything, but they are committed to saving the best parts. From what other Federal sources might financial assistance be available for some of these projects?

Mr. WHEELER. Title I of ESEA would, perhaps, be the most appropriate source of Federal assistance if the identified children are eligible to receive title I services. If title I is consolidated into proposed elementary and secondary education consolidation grants, as proposed by the administration, funds could be sought here under the disadvantaged category.

### CHILDREN'S TELEVISION WORKSHOP

Mr. CONTE. Has the Children's Television Workshop received any notice of a decrease in support?

Mr. WHEELER. No such notice has been given.

Mr. CONTE. How will its support in 1975 compare with 1974, 1973?

Mr. WHEELER. Support from the Office of Education will be between $3 million and $4 million. Our support in fiscal year 1974 was $4 million, in fiscal year 1973 it was $6 million.

Mr. CONTE. Sesame Street has been changed this year to include material for Spanish-speaking children. How has this worked out?

Mr. WHEELER. Two years prior to including Spanish words in Sesame Street, the Children's Television Workshop commissioned the Chicano Center, University of California, Los Angeles, to do formative evaluation on the best methods to reach key ethnic groups and reflect their language, culture, and lifestyles. In 1972–73 Sesame Street began the development of goals in Latin culture and bilingualism. In response to the formative evaluation, the word family approach was dropped in favor of rhyming and verbal blending techniques. Reflecting an increasing national awareness, the concept of ecology was introduced, including information on processes and change, limits and planning.

Based on the empirical evidence from the UCLA formative evaluation, the input from Puerto Rican groups, and the advisory board of CTW, the decision was made to provide Sesame Street viewers with a useful sightword vocabulary, in the productions for viewing during school year, 1973–74.

To reinforce the Spanish words on the productions, the Community Education Services Division, CTW, produced a film in Spanish to be used with Spanish-speaking parents and day-care personnel. This film has been highly effective in promoting among Spanish-speaking parents in Los Angeles, New York City, Washington, D.C., and other areas of the country having large Spanish-speaking populations, how Sesame Street viewing can help their children.

The Children's Television Workshop commissioned the Educational Testing Service, Princeton, N.J., to do a research report on the effects of including Spanish words in this year's productions. Unfortunately, the study has been dropped as the new educational television station in Texas, where the study was to be made, lost its transmission capabilities when the antenna was destroyed in a storm.

Mr. CONTE. In changing the basis for support of the Children's Television Workshop from that of a demonstration to support for an ongoing service, will the nature and amount of support be changed? Will support be dropped for any activities supported in the past?

Mr. WHEELER. The idea for the Children's Television Workshop (CTW) grew out of a study Joan Ganz Cooney made for the Carnegie Corp. beginning in 1966. The initial study was directed to the preschool years of the disadvantaged child. It was discovered that children under 6, approximately 12 million in the United States, were watching 54.1 hours of television a week. The initial study funded by the Bureau of Research, U.S. Office of Education, in fiscal year 1968 was a feasibility study which attempted to prove that given adequate talent and resources, a daily hour-long educational program directed to the preschool population could successfully compete in the open television marketplace with commercial programs. The scope and shape of Sesame Street emerged out of the intensive research effort directed to preschoolers. Sesame Street began broadcasting its first season of 1-hour programs in October 1969 following an 18-month period of research and development.

The program was designed to reach and stimulate preschool children with the emphasis directed to the 4-year-old ghetto, inner-city child. Specific goals for the first season included eight major curriculum areas, such as, recognition of body parts, letters, forms, numbers, et cetera, or the cognitive domain of learning. In fiscal year 1974 and the projected fiscal year 1975 budget, the emphasis on basic research in the development/production of Sesame Street and the Electric Co. has been reduced with the major amount of money used for the support of producing Sesame Street and the Electric Co. Formative evaluation is an integral part of the production of Sesame Street and the Electric Co. and the Research Division, CTW, through audience analysis of this year's programs, will recommend the segments that should be changed in the fiscal year 1975 productions based on the curriculum goals for each program. The Research Division is not doing basic research although they have submitted a proposal to the National Institute of Education to determine the effects of Sesame Street on migrant children.

In reference to summative research measures there are two major problems. First, the measures do not reflect the social value of the impact. It is difficult, for instance, to determine how much a statistically measured cognitive gain is worth in societal terms. Second, critics have cited several potentially ambivalent impacts on CTW; the untoward effects of excessive television viewing; the use by commercial networks of institutional innovations such as CTW's "distractor" technique for promoting programs with potentially adverse effects; and the possible aggravation in producing cognitive gains among the general population, of an achievement disparity between advantaged and disadvantaged children. The social values of these ambivalent impacts, if any, is also difficult to determine, and even if determinable cannot be readily deducted from the positive impacts of CTW. These two problems pose a serious obstacle to any attempt to reduce CTW's activities to a single, summary impact statement.

In fiscal year 1975 as in fiscal year 1974, the U.S. Office of Education support will be used primarily for the production costs of Sesame Street and the Electric Co. with nominal amounts for the Research Division, and the Community Education Services Division, CTW.

### RIGHT TO READ PROGRAM

Mr. CONTE. The $50,000 is budgeted for film under the right to read program. What kind of film is this and who are the intended users?

Dr. HOLLOWAY. The first right to read film was produced prior to the establishment of any right to read funded programs. That film basically defined the problem of illiteracy in this country. Since then, the right to read program has been in operation for 2 years. It has funded some 244 reading projects in both school-based and community-based settings, as well as 31 State education agencies throughout the country. This second film would convey the strategies and tactics of the implementation plan of the right to read effort in attaining its national literacy goal. The successful practices emerging from the initial demonstration projects should be of significant interest to school superintendents, school administrators, classroom teachers, parents, and the country at large in providing solutions to the reading problems in the United States. The film to be produced is a 28 to 30 minute sound color film.

Mr. CONTE. What are the new right to read academies? Are the funds requested for them for anything other than training volunteers?

Dr. HOLLOWAY. The right to read academies are adult-centered programs designed to focus on meeting the needs of adults with reading levels between 0–4. The organizations are primarily voluntary and are staffed by trained volunteer tutors.

The academies are different from other adult reading programs in that the program is staffed by volunteers who pledge a year of service; participants will pledge to attend for a minimum of 1 year; the academies will not directly receive funds from OE; and the academies will receive supportive services from the right to read academy service centers.

Right to read will support right to read academy service centers which will identify agencies that will sponsor academies, recruit and train volunteer tutors and academy directors; and provide supportive service to 10 adult academies in their first year of operation in such areas as materials selection, recruiting participants, and testing of participants.

Mr. CONTE. How many academies do you expect to support in 1975 and where?

Dr. HOLLOWAY. Right to read will support about 40 academy service centers which are expected to commit themselves to work toward the establishment of between 5 and 10 academies in their region.

### BILINGUAL EDUCATION

Mr. CONTE. What is the difference between the National Institute of Education's program in bilingual education and those for which $35 million is requested under elementary and secondary education?

Mr. WHEELER. The Bilingual Education Act provides financial assistance to local educational agencies for a program designed to meet the special educational needs of children who have limited English-speaking ability and who come from environments where the dominant language is other than English.

In meeting these needs, the bilingual education programs utilize two languages (one of which is English) as media of instruction. The goal of literacy in two languages can be translated into a variety of specific approaches notwithstanding the reality that the ability to function in English is a prerequisite to survival in the larger society.

While demonstrating the various specific approaches to learning, the need for adequately trained staffs and appropriate materials has become apparent. Therefore, the $35 million will continue to refine demonstrative techniques and focus on capacity building. In short, teacher training and materials developed must assume proper place on the priority scale.

On the other hand, the National Institute of Education is primarily involved in pure research and needs assessment. They would be concerned with investigating variables associated with language acquisition; learning characteristics of children of limited English-speaking ability; community attitudes toward Bilingual/Bicultural Education and the like. While the NIE is concerned with "how" children learn, the Division of Bilingual Education is concerned with applying that knowledge in viable educational classroom programs to determine if its application does in fact produce educational accomplishments.

### DRUG-ABUSE EDUCATION

Mr. CONTE. What plans have you made for the five regional training centers under the drug-abuse education program? Will they go out of existence after June if we don't reverse the decision to drop this program, or has there been some planning for their continuation?

Mr. WHEELER. The USOE regional training centers will not go out of existence in June 1974. They are presently funded under fiscal year 1974 funds until June 30, 1975. Traditionally in the USOE drug-abuse education program, funds appropriated in one fiscal year are used to support programmatic activities in the next fiscal year.

Mr. FLOOD. Thank you.

# JUSTIFICATION OF THE BUDGET ESTIMATES

OFFICE OF EDUCATION

Elementary and Secondary Education

Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $2,121,893,000 | $117,700,000 |
| Amount withheld (P.L. 93-192) | -94,979,000 | --- |
| Proposed supplemental | -1,746,000 | --- |
| Subtotal, adjusted appropriation | 2,025,168,000 | 117,700,000 |
| Comparative transfer to: | | |
| "Salaries and expenses" for National Advisory Council on Educationally Deprived Children | -185,000 | --- |
| Comparative transfers from: | | |
| "Educational Development": | | |
| Right to read | 12,000,000 | --- |
| Educational broadcasting projects | 18,675,000 | --- |
| Drug abuse education | 5,700,000 | --- |
| Environmental education | 1,900,000 | --- |
| Nutrition and health | 1,900,000 | --- |
| "Emergency School Assistance": | | |
| Civil Rights Advisory Service | 21,700,000 | --- |
| Subtotal, budget authority | 2,086,858,000 | 117,700,000 |
| Unobligated balance, start of year | 31,825 | 31,825 |
| Unobligated balance, end of year | -31,825 | -31,825 |
| Total, 1974 base obligations | 2,086,858,000 | 117,700,000 |
| Unobligated balance restored | 12,190,000 | --- |
| Total, obligations | 2,099,048,000 | 117,700,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $2,099,048,000 |
| 1975 Estimated obligations | 117,700,000 |
| Net change | -1,981,348,000 |

| | Base | Change from Base |
|---|---|---|
| **Increases:** | | |
| A. Program: | | |
| 1. Educational television programming | $ 4,000,000 | $ +3,000,000 |
| Total, increases | | +3,000,000 |
| **Decreases:** | | |
| A. Program: | | |
| 1. Educationally deprived children | 1,719,315,000 | -1,719,315,000 |
| 2. Supplementary services | 146,393,000 | -146,393,000 |
| 3. Strengthening State departments of education | 39,425,000 | -39,425,000 |
| 4. Bilingual education | 60,220,000 | -25,220,000 |
| 5. Educational broadcasting facilities | 15,675,000 | -8,675,000 |
| 6. Follow through | 41,000,000 | -6,000,000 |
| 7. Equipment and minor remodeling | 28,500,000 | -28,500,000 |
| 8. Drug abuse education | 5,700,000 | -5,700,000 |
| 9. Environmental education | 2,720,000 | -2,720,000 |
| 10. Nutrition and health | 2,400,000 | -2,400,000 |
| Total, decreases | | -1,984,348,000 |
| Total, net change | | -1,981,348,000 |

## Explanation of Changes

Increases:

A. Program:

1. Educational television programming--An increase of $3,000,000 is requested to expand support of educational television programming for preschool and school-age children, including support for the Children's Television Workshop. The base for 1974 includes $1,000,000 of funds appropriated in 1973 but made available in 1974.

Decreases:

A. Program:

1. Educationally deprived children--Beginning with a 1974 supplemental for the school year 1974-75, this program will be included in a proposed consolidated education grants legislative program.

2. Supplementary services--Separate funding for this program is terminated since this program is included in the consolidated education grants legislative proposal.

3. Strengthening State departments of education--Separate funding for this program is terminated since this program is included in the consolidated education grants legislative proposal.

4. Bilingual education--A reduction of $25,000,000 below the 1974 level, which includes $9,870,000 appropriated in 1973, is requested to provide a total of $35,000,000 to support 165 continuing and 55 new demonstration projects.

5. Educational broadcasting facilities--A decrease of $8,675,000 is requested to provide a total of $7,000,000 which will be used for improving or expanding 23 educational television and 9 educational radio stations.

6. Follow through--A reduction of $6,000,000 below the 1974 level is sought in line with the planned phase out of this program at the rate of one grade level each year consistent with the evaluation design.

7. Equipment and minor remodeling--Separate funding for this program is terminated since this program is included in the consolidated education grants legislative proposal.

8. Drug abuse education--A decrease of $5,700,000 is indicated to reflect termination of Office of Education funding for this program and increased reliance on State and local efforts.

9. Environmental education--Separate funding for this program is terminated since this program is included in the consolidated education grants legislative proposal.

10. Nutrition and health--Separate funding for this program is terminated since this program is included in the consolidated education grants legislative proposal.

## Obligations by Activity

| Page Ref. | | 1974* Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 14 | Educationally deprived children................. | $1,719,315,000 | $ --- | $-1,719,315,000[A] |
| 17 | Supplementary services..... | 146,393,000 | --- | -146,393,000[A] |
| 21 | Strengthening State departments of education: | | | |
| | (a) General support..... | 34,675,000 | --- | -34,675,000[A] |
| | (b) Comprehensive planning and evaluation.... | 4,750,000 | --- | -4,750,000[A] |
| 25 | Bilingual education | 50,350,000<br>(60,220,000) | 35,000,000 | -15,350,000[B] |
| 27 | Right to read.............. | 12,000,000 | 12,000,000 | --- |
| 30 | Educational broadcasting projects................. | 18,675,000<br>(19,675,000) | 14,000,000 | -4,675,000[C] |
| 33 | Civil rights advisory services................. | 21,700,000 | 21,700,000 | --- |
| 35 | Follow Through............. | 41,000,000 | 35,000,000 | -6,000,000[D] |
| 37 | Equipment and minor remodeling............... | 28,500,000 | --- | -28,500,000[A] |
| 38 | Drug abuse education....... | 5,700,000 | --- | -5,700,000[E] |
| 40 | Environmental education.... | 1,900,000<br>(2,720,000) | --- | -1,900,000[A] |
| 41 | Nutrition and health....... | 1,900,000<br>(2,400,000) | --- | -1,900,000[A] |
| | Total obligations (base) .. | 2,086,858,000 | 117,700,000 | -1,969,158,000 |
| | Total obligations.......... | (2,099,048,000) | | |

### Explanation of Changes

A) Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

B) A decrease of $15,350,000 is requested for bilingual education. This decrease reflects the assumption that this is a demonstration not a service program and that the basic financial support for bilingual education programs is a responsibility of State and local governments.

C) The net decrease of $4,675,000 in educational broadcasting projects is composed of a decrease of $8,675,000 in educational broadcasting facilities and an increase of $4,000,000 in educational television programming. This funding shift from expansion and improvement of non-commercial broadcasting facilities to support of educational television programming for preschool and school-age children is in recognition of the twelve years of support already provided for expansion and updating of facilities and the need to develop and fund innovative television programs reaching large numbers of educationally disadvantaged children.

D) The decrease of $6,000,000 in the follow through program reflects the phase out of this experimental program with one additional grade level being eliminated each year consistent with the evaluation design.

E) The decrease of $5.700,000 shown for the drug abuse program indicates the termination of Office of Education support for this program and the increased reliance placed on State and local agencies for continued work in this area.

* 1974 base - excludes 1973 appropriation restorations. Total obligations shown in parentheses

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Other services.................. | 6,000,000 | 7,000,000 | +1,000,000 |
| Investments and loans.......... | 250,000 | --- | -250,000 |
| Grants, subsidies and contributions............ | 2,092,798,000 | 110,700,000 | -1,982,098,000 |
| Total obligations by object.................. | 2,099,048,000 | 117,700,000 | -1,981,348,000 |
| Total obligations excluding 1973 appropriation restoration............ | 2,086,858,000 | | |

## Authorizing Legislation

| | 1975 | |
|---|---|---|
| Legislation | Authorized | Appropriation requested |
| Elementary and Secondary Education Act: | | |
| Title VII, Bilingual education................ | 1/ | $35,000,000 |
| Cooperative Research Act: | | |
| Right to Read................................ | $ 78,000,000 2/ | 12,000,000 |
| Educational TV programming support............ | | 7,000,000 |
| Communications Act of 1934: | | |
| Title III, Part IV; Educational broadcasting projects...................... | 30,000,000 | 14,000,000 |
| Civil Rights Act of 1964: | | |
| Title IV, Civil Rights advisory services...... | Indefinite | 21,700,000 |
| Economic Opportunity Act of 1964: | | |
| Section 222(a)(2) Follow through | 3/ | 35,000,000 |
| National Defense Education Act: | | |
| Title III-A, Equipment and minor remodeling... | 140,500,000 | --- |
| Drug Abuse Office and Treatment Act of 1972: | | |
| Section 410; Drug abuse education............. | 160,000,000 | --- |

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1/ Pending extension legislation

2/ This is the full authorization for this Act; both right to read and educational television programming support are funded through this authorization. Additional amounts of $10,000,000 under the Occupational, Vocational, and Adult Education appropriation and of $12,600,000 under the Salaries and Expenses appropriation are being requested under this authority.

3/ New authorizing legislation required.

## Elementary and Secondary Education

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $ 119,100,000 | $ 109,400,000 | $ 118,200,000 | $ 118,200,000 |
| 1966 | 1,512,760,000 | 1,180,276,000 | 1,181,051,000 | 1,181,051,000 |
| 1967 | 1,340,314,000 | 1,337,199,000 | 1,362,199,000 | 1,335,199,000 |
| 1968 | 1,573,690,000 | 1,513,840,000 | 1,559,840,000 | 1,521,706,000 |
| 1969 | 1,496,043,000 | 1,294,583,000[1] | 1,510,156,000 | 1,435,573,000 |
| 1970 | 1,414,843,000 | 1,718,391,000 | 1,741,666,000 | 1,638,867,550 |
| 1971 | 1,538,472,000 | 1,739,372,000 | 1,837,975,000 | 1,787,775,000 |
| 1972 | 1,795,048,000 | 1,801,348,000[2] | 2,131,798,000 | 1,977,448,000 |
| 1973 | 1,957,318,000 | 2,130,108,000[3] | 2,247,308,000[2] | 2,259,458,000 |
| 1974 | 1,860,093,000 | 2,173,300,000 | 2,205,408,000 | 2,184,408,000 [4] |
| 1975 | 117,700,000[5] | | | |

[1] National Defense Education activities not considered pending enactment of authorizations.

[2] Follow Through not considered.

[3] Civil Rights Advisory services and Follow Through not considered by the House.

[4] The Congress appropriated this amount but allowed the President to withdraw 5%. The reduced amount of $2,086,858,000 represents the amount to be allocated.

[5] This amount does not include State grant funds proposed to be included in the consolidated education grants program; the table is otherwise comparable.

## Justification

## Elementary and Secondary Education

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Educationally deprived children... | $1,719,315,000 | $ --- | $-1,719,315,000 |
| Supplementary services............ | 146,393,000 | --- | -146,393,000 |
| Strengthening State departments of education: | | | |
| (a) General support.............. | 34,675,000 | --- | -34,675,000 |
| (b) Comprehensive planning and evaluation................. | 4,750,000 | --- | -4,750,000 |
| Bilingual education | | | |
| (a) LEA grants................... | 45,077,000 | 30,500,000 | -14,577,000 |
| (b) Training..................... | 5,273,000 | 4,500,000 | -773,000 |
| Right to Read.................... | 12,000,000 | 12,000,000 | --- |
| Educational broadcasting projects. | 18,675,000 | 14,000,000 | -4,675,000 |
| Civil rights advisory services.... | 21,700,000 | 21,700,000 | --- |
| Follow through................... | 41,000,000 | 35,000,000 | -6,000,000 |
| Equipment and minor remodeling.... | 28,500,000 | --- | -28,500,000 |
| Drug abuse education............. | 5,700,000 | --- | -5,700,000 |
| Environmental education.......... | 1,900,000 | --- | -1,900,000 |
| Nutrition and health............. | 1,900,000 | --- | -1,900,000 |
| Total...................... | 2,086,858,000 | 117,700,000 | -1,969,158,000 |

### General Statement

The reduction from 1974 in this appropriation results from a proposal to consolidate many of the activities funded by the appropriation into a proposed new appropriation to be authorized by new legislation.

Appropriate legislation is being considered to consolidate nine categorical legislative programs into four broader categorical areas, each with a separate authorization.

The proposed conolidation program is composed of four major categories, legislatively defined. These categories are: (1) Disadvantaged, replacing Parts A, V, and C of Title I of the Elementary and Secondary Education Act; (2) Handicapped, replacing Part B of the Education of the Handicapped Act; (3) Support services, replacing Titles II and V of the Elementary and Secondary Education Act; and (4) Educational innovation, replacing Title III and Sections 807 and 808 of the Elementary and Secondary Education Act and the Environmental Education Act.

The legislation will provide more flexibility to the states in allocation of Federal funds and will include new and more equitable formulas for distributing elementary and secondary funding.

Prior to making the FY 1975 budget request, the Administration is proposing that Congress authorize a supplemental appropriation for the current fiscal year in the amount of $2,850,000,000 These funds would be available for use for the school year beginning this fall. The proposed advanced funding supplemental represents an increase over the regular 1974 appropriation for comparable program areas by almost $180,000,000. Forward funding of elementary and secondary program dollars will enable State and local school officials to plan ahead with confidence, rather than beginning the school year without knowing the precise amount of Federal dollars to be available. The supplemental appropriation request will be formally transmitted to Congress subsequent to passage of appropriate authorizing legislation.

The Drug abuse education program is being terminated in 1975. Other remaining categorical areas in this appropriation not proposed for consolidation will receive continued support. A new authorization will enable the bilingual education program to initiate new demonstration projects at a request of $35,000,000, $15,000,000 less than 1974. Educational broadcasting projects will receive $14,000,000, $5,000,000 less than 1974. The civil rights advisory service will be maintained at $21,700,000, and the follow through experiment will continue to be phased out as scheduled with a request of $35,000,000, $6,000,000 less than 1974. The right to read program continues at its 1974 level of $12,000,000.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Educationally deprived children..... | $1,719,315,000 | ---- | $-1,719,315,000 |
| (a) Grants to local educational agencies .................... | 1,446,152,742 | ---- | -1,446,152,742 |
| (b) Grants to State agencies: | | | |
| (1) Migrant children .......... | 78,331,437 | ---- | -78,331,437 |
| (2) Neglected and delinquent children................ | 25,448,869 | ---- | -25,448,869 |
| (3) Handicapped children...... | 85,777,779 | ---- | -85,777,779 |
| (c) Special Incentive Grants....... | 17,855,113 | ---- | -17,855,113 |
| (d) Special Grants to Urban and Rural Schools................. | 47,701,044 | ---- | -47,701,044 |
| (e) Grants for State administration | 18,048,016 | ---- | -18,048,016 |

## Narrative

### Program Purpose

Title I of the Elementary and Secondary Education Act of 1965 provides funds by State formula grants to supplement State and local expenditures in local educational agencies with large numbers of children from low-income families. The program is intended to help those agencies to expand and improve their educational programs to meet the special educational needs of educationally deprived children. It is further intended to concentrate services on the most educationally deprived children at a level which gives reasonable promise of success. Services under separate State managed Title I programs are also provided to migrant, handicapped, and neglected and delinquent children.

The basic Title I grant entitlement to local school districts is computed on a county basis by multiplying the number of eligible children by one-half the State or National per pupil expenditure, whichever is higher. This entitlement is then prorated down to the funds available and grants are made through the State to local school districts. Separate grants are also provided to the States for State Agency programs specifically designed for migrant, handicapped, and neglected or delinquent children. Projects are developed and operated by local educational agencies after approval by the State educational agency in accordance with Federal regulations.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grants legislative program.

### Accomplishments for fiscal years 1973/1974

(1) Grants to local educational agencies: During fiscal year 1973, about 6,200,000 children in almost 14,000 school districts participated in Title I district programs compared to about 6,250,000 children in fiscal year 1972. Although a number of factors may have contributed to the reduction of 50,000 participating children in fiscal year 1973, one such factor was a continuing trend of concentrating funds upon the most disadvantaged children.

A further increase in the concentration of Title I LEA funds upon instruction in reading, math and English language arts for the most educationally deprived youngsters took place in fiscal year 1974. This was done by improving local efforts to use Title I funds in schools most heavily impacted with poor children and by improving local educational agencies' ability to identify and serve students with the most severe academic shortcomings in those schools.

(2) Migrant children: Grants to State educational agencies for the education of migrant children in fiscal year 1974 totalled $78,331,437 and approximately 380,000 migrant children received services. The Migrant Student Record Transfer System was improved and made more responsive to the needs of State and local program managers in fiscal year 1974, primarily through the modification of the record transfer form. The new form provides for the entry of more information concerning the child's health as well as academic skills thus enabling teachers in receiving schools to make more accurate assessment of the child's status and to select the type of program that would be most responsive to his needs. Program application, evaluation and monitoring instruments for the migrant program also were initiated in fiscal year 1974.

(3) Neglected and delinquent and handicapped children: An amount of $25,448,869 was made available during fiscal year 1974 to State agencies responsible for education of institutionalized neglected and delinquent children. Approximately 50,341 children participated in Title I programs. State agencies responsible for children in schools for the handicapped received $85,777,779. An estimated 166,000 handicapped children benefited representing an increase of 8,000 over 1973.

(4) Special incentive grants. The special incentive grants of Part B are available to those States whose effort index--a figure developed by dividing the expenditure of education funds from State and local sources by total personal income--is greater than the national effort index. In 1974 25 States are eligible for such grants ranging from $44,160 to $2,678,267 for a total of $17,855,113. Incentive grants are made available to a State upon application to the Commissioner of Education. Funds are made available by the States to those school districts with above average effort indexes which have the greatest need for assistance. The grants are approved in amounts relating to the district's respective needs. Only those projects which are deemed to be innovative, or exemplary, by the State educational agencies are approved. No State is entitled to more than 15 percent of the total amount for Part B.

(5) Special grants to urban and rural schools: Part C grants are for school districts where the number of children from low-income families total a minimum of 5,000 and 5 percent of the total number of children, or where the number of children from low-income families is 20 percent of the total number of children in the school district. Schools which are within 5 percent of either of the above conditions are also eligible. Part C provides these special grants for both urban and rural schools within a district with the highest concentrations of children from low-income families. Grants will be made to about 4,000 school districts in 47 States in fiscal year 1974 with local educational agency grants ranging up to approximately $9,000,000.

(6) Grants for State administration: In addition to authorizing grants to local educational agencies, Title I authorizes the Commissioner of Education to pay each State up to 1 percent of its basic grant amount, or a minimum of $150,000, for necessary administrative expenses. During 1974 these included the following: approving about 16,000 Title I project grant applications during the regular school year plus an estimated 5,000 applications for summer programs; extensive monitoring of Title I projects at the local level; technical assistance activities for school districts involving program development and evaluation, and providing a greatly expanded State-wide dissemination service to promote the use of effective compensatory education projects.

(7) Set-aside for National Advisory Council on the Education of the Disadvantaged: A set-aside of $185,000 from the fiscal year 1974 Title I authorization was used to provide administrative support services for the National Advisory Council. In 1975, funds for the National Advisory Council are requested under the Salaries and Expenses appropriation account.

## SUPPLEMENTAL FACT SHEET

## Grants to Local Educational Agencies

Program Statistical Data:

| | 1972 Actual | 1973 Estimate | 1974 Estimate |
|---|---|---|---|
| Eligible children* | 8,109,501 | 8,467,393 | 6,247,266 |
| Participating children | 6,250,000 | 6,200,000 | 6,100,000 |
| Number of school districts | 13,900 | 13,900 | 14,000 |
| Average cost per student[1] | $230.13 | $260.36 | $247.82 |

[1] Includes Special Incentive Grants and Special Grants to Urban and Rural Schools

* The number of eligible children upon which the Title I payments are based is computed on a family low-income factor of $2,000 until sufficient funds are appropriated to pay them at full entitlement. When this point is reached the low-income factor is raised to $3,000 and then to $4,000. At the $4,000 low-income factor the number of eligible children would be 16,000,000.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Supplementary services (ESEA Title III) | | | |
| (a) State plan programs.............. | $126,081,000 | --- | $-126,081,000 |
| (b) National Advisory Committee...... | 225,000 | --- | -225,000 |
| (c) Special projects................. | 20,087,000 | --- | -20,087,000 |
| Total...................... | 146,393,000 | --- | -146,393,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Supplementary Services (State Portion) | | | |
| (a) State plan programs.............. | $126,081,000 | --- | $-126,081,000 |
| (b) National Advisory Committee...... | 225,000 | --- | -225,000 |
| Total...................... | 126,306,000 | --- | -126,306 000 |

## Narrative

### Program Purpose

Title III of the Elementary and Secondary Education Act provides nonmatching grants to State education agencies to fund a continuing process of creative change in American education through innovative and/or exemplary projects and supplementary centers; and, guidance, counseling and testing programs. These projects are based upon the results of a statewide needs assessment and the innovative and exemplary projects are intended to serve as models which can be adapted by local educational agencies in the State and in the Nation. Under Title III, States are allotted funds according to a formula prescribed in the Elementary and Secondary Education Act. To receive funds States must submit an approvable plan to the USOE setting forth the proposed strategy for project development, selection and management.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

In fiscal year 1973, States funded over 1,600 demonstration projects in reading, environmental education, equalizing educational opportunity, education of the handicapped, guidance and counseling, drug education, early childhood education and a variety of other kinds of State identified concerns.

An amount of $12,255,114 was available to State education agencies for administrative costs and for the activities of State Advisory Councils. Additionally, $225,000 was made available to the National Advisory Council on Supplementary Centers and Services. An amount of $113,825,953 was available for local projects under the State Plan program of which $75,900,000 was expended to continue approximately 1,100 operating projects, leaving 37,900,000 to fund approximately 550 new projects in response to the critical educational learner needs identified through the State-wide needs assessments. About 500 additional projects will be funded with released funds of over $20,000,000.

States reported that over 1,900 projects were adopted/adapted by school districts in other than the project State, and according to a study supported by the National Advisory Committee, over 67 percent of the Title III projects were continued at least partially with local funds after three years of Federal funding.

In fiscal year 1973, 56 jurisdictions were assisted in the preparation and management of quality State plan programs that would facilitate educational change in the States. Specifically, objectives were (a) to develop a quality learner oriented needs assessment at the State level, (b) to encourage school districts to submit projects with learner performance objectives according to identified critical needs, (c) to bring about greater educational accountability through product evaluation and educational audits, and (d) to encourage the adoption of proven practices through IVD (Identification, Validation and Dissemination) activities.

All States are now conducting learner-oriented needs assessments, and 43 States (involving over 700 prominent educators) participated in the validation effort, which is a process of reviewing an evaluated practice to verify its credibility as an exemplary program through official and expert appraisal.

The objectives for fiscal year 1974 are the same as fiscal year 1973, with special additional emphasis in the following areas: (a) conduct on-site program reviews of State educational agencies (Title III programs) by a team of Office of Education experts in those States with persistent administrative problems, (b) continue cooperative efforts with the State and National Advisory Councils for the validation of additional projects, (c) provide training for the team members who will participate in the validation team efforts, and (d) provide continued technical assistance to the States in the revision of the validation instrument, and State and regional dissemination efforts.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Supplementary Services (Discretionary): | | | |
| (c) Special projects.............. | $20,087,000 | --- | $-20,087,000 |
| New awards.................... | (13,687,000) | (---) | (-13,687,000 |
| Competing continuing awards... | (6,400,000) | (---) | (-6,400,000 |

## Narrative

### Program Purpose

The Special Programs and Projects (Section 306) of the Elementary and Secondary Education Act funds, which constitute fifteen percent of each State's allotment, are used by the Commissioner of Education at his discretion, to support innovative and exemplary projects in local educational agencies. These projects utilize research findings and demonstrate successful solutions to major educational problems common to all or several States. These projects also give direction to the State Plan Program administered by the States.

Fifteen percent of these Special Programs and Projects (Section 306) funds are used to support projects dealing with the education of the handicapped.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

In fiscal year 1973, under the $20,087,000 appropriation, 117 projects in the original Section 306 priority areas of reading, environmental education, cultural pluralism, student leadership,early childhood education, education of the disadvantaged and education of the handicapped were continued for an expenditure of $16,500,000. Another $1,100,000 supported the second-year of installation support at 334 sites for the kindergarten reading program developed by the Southwest Regional Laboratory (SWRL). As a complementary activity to the SWRL program diffusion effort, 355 new grants totalling $800,000 were made to local school districts in 12 States to install new kindergarten reading readiness programs. In addition, 24 new projects exploiting educational technology for reform in education were funded at a total level of $1,100,000. For the handicapped, eight new projects were supported at a cost of $400,000 to test a number of approaches to individual educational diagnosis and prescriptions. The remaining $200,000 was used to maintain 3 projects for demonstration, dissemination and training purposes which had achieved considerable success over a three year period of State Title III support and which fell within the Section 306 priority area of early childhood education.

In fiscal year 1974, $6,400,000 will be obligated to support the continuation of 26 projects for the fourth and final year in most cases. All but $300,000 of the $13,700,000 balance will support a variety of projects designed to bring about the national replication of successful products and practices which deal with educational problems of national concern. More specifically, approximately 75 exemplary projects will be maintained for a total of $5,600,000 to serve as demonstration and training sites for school districts having educational needs in the specific area of the demonstration. In addition, 45 grants will be made for $4,500,000 to serve as facilitators to promote the adoption within their respective States of the selected national demonstration projects.

Another twenty-five (25) grants, totaling $1,800,000, will be awarded to local educational agencies who have already identified exemplary programs for which they are seeking installation support. Also, $1,500,000 will support the field testing of 8 exemplary compensatory education projects focussing on the skill areas of reading and math in 3 sites each, or 24 locations. This field test is part of the preparation for the new OE program on Identification, Packaging and Field-testing of validated Educational Programs and Products, which will systematically conduct these innovative activities in the future. In addition to the primary emphasis on replication, $300,000 in Section 306 funds will be used to implement 2 model demonstration programs which are designed to provide more effective services to the victims of child abuse enrolled in elementary and secondary schools.

| | 1974<br>Base | 1975<br>Estimate | Increase or<br>Decrease |
|---|---|---|---|
| Strengthening State departments of ducation: | | | |
| General Support (Part A).............. | $34,675,000 | --- | $-34,675,000 |
| Comprehensive planning and evaluation (Part C)..................... | 4,750,000 | --- | -4,750,000 |
| Total........................ | 39,425,000 | --- | -39,425,000 |

| | 197<br>Base | 1975<br>Estimate | Increase or<br>Decrease |
|---|---|---|---|
| General Support (Part A) | $34,675,000 | --- | $-34,675,000 |
| Grants to States...................... | 32,941,000 | --- | -32,941,000 |
| Special projects...................... | 1,734,000 | --- | -1,734,000 |
| (a) New awards..................... | (203,000) | --- | (-203,000) |
| (b) Non-competing continuing awards | (822,000) | --- | (-822,000) |
| (c) Competing continuing awards.... | (709,000) | --- | (-709,000) |

## Narrative

### Program Purpose

The Elementary and Secondary Education Act, Title V, Part A, authorizes the Commissioner to make non-matching grants to stimulate and assist States in strengthening the leadership resources of their education agencies and assist those agencies in the establishment and improvement of programs to identify and meet their educational needs. The grants are made to the State education agencies on the basis of a formula.

Ninety-five percent of the Title V, Part A appropriation is available to State education agencies as basic grants. Five percent is reserved for special project grants to State education agencies under Section 505 of this Title to enable groups of these agencies to develop their leadership capabilities through experimental projects and to solve high priority problems, common among States.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted separately.

### Accomplishments for fiscal years 1973/1974

The States continued activities designed to improve and increase the leadership and services provided for local educational agencies, and investigated alternatives to their organizational and governance structures. As a result, changes in organizational structures and operating procedures have been implemented. For example, five SEAs (Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island) have utilized organizational development teams designed to bring about changes needed in the agencies. The structure of one agency (Washington) was completely overhauled as a result of staff work and a study supported with Title V funds.

Section 505 funds, through 30 projects, are enabling State educational agencies to conduct studies and develop strategies and models for dealing with problems such as improving internal auditing (3 participating States--Alabama, Kentucky and Texas); the governance and structure of public education (Georgia, New York, and Ohio); State role and responsibilities in environmental education (Alaska, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Washington, and Wyoming); State and local agency role in accountability (Colorado, Florida, Maryland, Michigan, Minnesota, Oregon, and Wisconsin); the consolidation of grant applications (California, Delaware, Florida, Minnesota, Oklahoma, Utah, Vermont, and Washington); management training (Guam, American Samoa, and the Trust Territory); and improved management of compensatory education programs (New Jersey, Alabama, Arkansas, California, Colorado, Minnesota, and North Carolina). These special projects, through intensive dissemination activities, will provide materials, ideas, and models which will be of benefit to all States. In accordance with the Act these special projects provide all of the 56 SEAs with opportunities to pursue common priorities, to exchange strategies for resolution of common problems, and to provide a forum for joint consideration of common concerns. A major emphasis of these interstate projects is staff development, with current emphasis in the areas of future planning, management by objectives, and accountability. In 1973, 1,195 State educational agency participants attended these Section 505 Interstate Project staff development training workshops. In many cases, there were follow-up seminars and workshops in individual SEAs which provided similar training for additional SEA personnel. In addition, two projects provided inservice training opportunities for the chief State school officers of all States and members of State boards of education.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Comprehensive Planning and Evaluation (Part C): | $4,750,000 | --- | -$4,750,000 |

## Narrative

### Program Purpose

The purpose of Title V, Part C, of the Elementary and Secondary Education Act is to provide financial assistance to State and local educational agencies to assist them in improving their planning and evaluation capabilities. The program provides funds for support of up to 75 percent of the cost of such planning and evaluation projects. Funds are distributed according to statutory formula -- 40 percent apportioned equally among all States and the 60 percent remaining apportioned according to the population of each State as that population bears to the population of all States.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted separately.

### Accomplishments for fiscal years 1973/1974

During FY 1973 grant funds distributed to State educational agencies continued to support the development of centralized and coordinated planning and evaluation at the State level. Some of the major activities supported are as follows:

- 38 State agencies used grant funds as support for the establishment and maintenance of a nucleus planning and evaluation unit

- 26 State agencies continued to design, install, or improve their educational data systems

- 28 State agencies continued the development of Statewide educational needs assessment methods.

- 33 State agencies provided training for agency planners and evaluators

- 13 State agencies developed improved management-by-objective systems

In addition grant funds were used to improve evaluation methods (23 States), develop State planning models (8 States), produce multi-year educational plans (8 States), design Statewide PPB system (7 States), provide for interagency planning coordination (5 States), and to redefine State educational goals.

For FY 1974, many of the major FY 1973 objectives will continue to be pursued by the State agencies. However, emphasis on internal development of State educational agencies is being reduced as attention is given to the development of planning and evaluation capabilities at the local level. This emphasis will result in:

- 56 SEAs providing planning and evaluation services to selected LEAs as required by statute, making initial efforts to begin the development of coordinated State/local comprehensive planning and evaluation

- 10 SEAs will pilot the development of planning and evaluation models at the local level

- 25 SEAs will provide planning and evaluation training for personnel in selected LEAs

- 6 metropolitan LEAs will participate directly in the program establishing planning and evaluation units which will coordinate planning and evaluation with their respective SEAs

| | 1974 Base* | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Bilingual Education grants | $50,350,000 | $35,000,000 | $-15,350,000 |

## Narrative

Program Purpose:

The Bilingual Education Program, authorized by Title VII of the Elementary and Secondary Education Act (ESEA), is a discretionary grant program which authorizes the Commissioner to provide funds to local educational agencies to demonstrate new and imaginative elementary and secondary school programs to meet the special educational needs of children from low-income families who come from environments where the dominant language is other than English. Local educational agencies submit proposals which are reviewed by outside experts, specialists and State Educational Agencies. Proposals are judged on the basis of need and quality of the educational program described. Projects winning grant awards usually receive funding over a five-year period. Other activities authorized under this legislation are applied research projects, pilot projects designed to test the effectiveness of innovative approaches, the development and dissemination of special instructional materials, and preservice and inservice training for classroom personnel. This program is forward funded. Consequently, funds appropriated in one fiscal year are used in the succeeding academic year.

Plan for Fiscal Year 1975:

In academic year 1975-76 the requested $35,000,000 will maintain the number of new starts and the total number of demonstrations at approximately the same level as in the previous year. About 55 new projects will be established in geographical areas where there has been no previous bilingual demonstration program. Another 165 projects initiated in previous years would be continued for a total of 220 demonstrations. The average annual cost of a project is about $159,000. Projects will provide more than 6,000 teachers and aides with training in bilingual education methodologies.

Approximately ten exemplary bilingual education projects will be packaged and disseminated to other bilingual education grantees requesting the materials. These packages will include teaching strategies, multi-media training kits, community involvement strategies and plans, and model evaluation designs.

Development of a Spanish core curriculum for grades four through six for all Spanish-speaking ethnic groups will begin. Curricula in Spanish, French, Chinese, and Portuguese are being developed.

Accomplishments and objectives for fiscal year 1973/74:

During academic year 1973-74, $33,580,000 in fiscal year 1973 funds are supporting the continuation and expansion of 208 projects designed to demonstrate new educational approaches to bilingual/bicultural instruction. In addition, an award of $1,500,000 is funding the development and production of pilot programs for a bilingual educational television project geared to Spanish-speaking elementary school age children.

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* Excludes 1973 appropriation restorations.

In academic year 1974-75, $40,503,008 will be available including $30,633,008 in fiscal year 1974 funds after the five percent reduction and $9,870,000 in fiscal year 1973 released funds. The released funds will support thirty new starts for a grant period of two years. In all, 58 projects will be initiated this academic year and 165 continuations maintained for a total of 223 demonstrations.

In the course of developing on-site teacher training models and methodologies, approximately 3,700 teachers and 2,600 aides are receiving inservice training.

A core curriculum in Spanish for children in grades one through three is being field-tested in approximately 32 bilingual education projects throughout the United States. The development of materials will be continued for early elementary grades in Spanish, French, Chinese, Portuguese and several Indian languages. The Spanish core curriculum to serve all Spanish-speaking children in grades one through three will be refined and disseminated at cost by the Dissemination Center for Bilingual Education to all bilingual education projects wishing to participate. The Center will also continue to package and disseminate curriculum materials developed at various bilingual education projects for other language groups. Ten exemplary bilingual-bicultural projects will be identified and validated.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Right to read.......................... | $12,000,000 | $12,000,000 | $ --- |
| New awards.......................... | (2,590,000) | (2,200,000) | (-390,000) |
| Non-competing continuing awards....... | (9,410,000) | (9,800,000) | (+390,000) |

Narrative

Program Purpose

The purpose of the Right to Read program is to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading. The Right to Read program is both an impetus to and a component of a large National reading effort. The goal of this National effort is to eliminate functional illiteracy in this country to the extent that by 1980, 99 percent of the population sixteen years of age, and 90 percent of the population over sixteen years of age will be functionally literate. **This program is authorized under the Cooperative Research Act.**

Functional illiteracy is the inability to read the kinds of simple materials -- job application forms, drivers' license examinations -- which make it possible for a person to take advantage of the opportunities American society has to offer.

Eligible grantees include local education agencies, institutions of higher education, State education agencies, and other public and private agencies. Grants are reviewed by teams with membership from the Office of Education, other government agencies, and non-government groups. No matching funds are required.

Plans for fiscal year 1975

The Right to Read Program is made up of a number of components:

1. State Education Agency Program--The State Education Agency component of the Right to Read program operates with the goal of building the capacity of and stimulating the efforts of the State agencies to assume the responsibility of improving reading achievement. The State Agency component establishes a structure to enable State and local education agencies to address the organizational, managerial, and instructional practices which inhibit reading success among both children and adults. The SEA effort can be summarized within four broad areas: (1) determining the scope of the problem through an assessment of needs; (2) developmental activities directed toward a coordinated statewide approach; (3) the preparation of LEA reading directors; and (4) the maintenance and support of LEA reading efforts through technical assistance, information, and obligation of financial resources. The 1975 request includes $5,000,000 to support this activity.

2. Demonstration Program--The demonstration component of the program operates with the goal of stimulating schools, LEA's and communities to support reading improvement projects, by demonstrating, on a limited basis, exemplary programs. The request includes $1,700,000 to support 9 school-based demonstration projects and to fund large

school districts or cities which have been in the Right to Read program to utilize, impact and disseminate effective practices. Support of approximately 55 community-based projects ($1,800,000) that will serve the out-of-school functionally illiterates, will be located in prisons, migrant centers,libraries, homes, community buildings, colleges and universities.

3. Reading Education Reform--An amount of $1,000,000 is requested to continue assistance to institutions of higher education to facilitate change in reading education programs for teachers and administrators. This program provides grants of up to 2-year duration to colleges and universities to initiate or improve reading education programs. After conducting an assessment of their present teacher education programs, grantees adapt and implement the components necessary for reform.

4. National Impact Activities--These projects are supported in order to stimulate widespread activity to help achieve the reading goal of the National effort. An amount of $1,850,000 is requested to support projects which have a National impact. These include the implementation in conjunction with the Adult Basic Education Program of a television program teaching reading to adults; conducting a mini-assessment to complete the reading achievement profile of 17 year-olds; and soliciting the efforts and finances of business and industry to set up on-the-job literacy programs and to assist elementary and secondary schools. It also includes getting civic, volunteer and education organizations to develop reading projects. Support is requested for the Right to Read Academies whose personnel form a kind of "literacy corps" of people to tutor adults in existing community facilities. Funds will be used to train trainers who in turn will train local coordinators.

5. Dissemination--The request includes $650,000 for support of dissemination activities, such as, replication of effective projects, film, materials and technical assistance. Instructional materials for children and adults, which have been developed by demonstration projects, will be made available nationwide through the Government Printing Office.

Accomplishments for fiscal years 1973/1974

As a result of Right to Read funding, 31 State education agencies are currently working with 1,227 local school districts out of a total of 17,500 districts. One hundred six school-based projects involving 30,000 students were funded, and three training seminars for school administrators were supported to develop leadership abilities in those educators attempting to improve reading instruction. Seventy-four community-based projects were supported to discover new and effective ways of helping adults acquire necessary literacy skills.

In fiscal year 1974, support is planned for the development and installation of a new program of training in the field of the teaching of reading. Support is budgeted for the development of an Adult TV Teaching of Reading series. One hundred six school-based sites and 74 community-based sites were serviced by technical assistance. Some of the assistance provided covered: (a) techniques for installing a new reading program, (b) the most effective techniques for the use of inservice programs for teachers, (c) new ways to use school pyschologists, speech therapists, and reading specialists in a school reading program, (d) identification, validation, and packaging of effective reading programs, and (e) work with major corporations and national volunteer organizations to assist in accomplishing Right to Read goal of eliminating illiteracy.

The funding level was the same for both 1973 and 1974, i.e., $12,000,000.

## SUPPLEMENTARY FACT SHEET

## RIGHT TO READ ACTIVITIES

| | FY 1973 Actual | FY 1974 Estimate | FY 1975 Estimate |
|---|---|---|---|
| State Education Agencies | $ 4,558,337 | $ 1,550,000 | $ 5,000,000 |
| Demonstration Program: | | | |
| School-based projects (elementary & secondary) | 4,440,075 | 3,800,000 | 1,700,000 |
| Community-based projects (adults) | --- | 3,260,000 | 1,800,000 |
| Reform of Reading Education | 405,629 | 1,000,000 | 1,000,000 |
| National Impact Projects | | | |
| Adult TV | --- | 1,000,000 | 500,000 |
| Mini-assessment | 166,555 | 100,000 | 100,000 |
| Private sector | --- | 440,000 | 500,000 |
| Right to Read Academies | --- | --- | 750,000 |
| Dissemination | | | |
| Replication | --- | 50,000 | 300,000 |
| Film | --- | 100,000 | 50,000 |
| Right to Read materials | 358,550 | 150,000 | 100,000 |
| Technical Assistance | 256,459 | 300,000 | 200,000 |
| Evaluation | 724,251 | 250,000 | --- |
| FY 1972 awards funded from FY 1973 funds | 944,335 | --- | --- |
| TOTAL | 11,854,191 | 12,000,000 | 12,000,000 |

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Estimate of Need: The United States has close to 19,000,000 totally or functionally illiterate adults and 7,000,000 elementary and secondary school students with severe reading problems. In large cities between 40 and 50 percent of the children are underachieving in reading.

| | 1974 Base* | 1975 | Increase or Decrease |
|---|---|---|---|
| Educational Broadcasting Projects: | | | |
| Educational Broadcasting Facilities...................... | $15,675,000 | $ 7,000,000 | $-8,675,000 |
| Educational TV Programming Support........................ | 3,000,000 | 7,000,000 | +4,000,000 |
| Total ...................... | 18,675,000 | 14,000,000 | -4,000,000 |

*Excludes 1973 appropriation restoration

Program Purpose

This activity consists of the Educational Broadcasting Facilities Program (EBFP), and Educational TV Programming Support, including Sesame Street and the Electric Company among others.

The Educational Broadcasting Facilities Program (EBFP) is authorized by Part IV, Title III, Communications Act of 1934. The purpose of this program is to facilitate: (1) prompt and effective use of all educational television channels remaining available, (2) equitable geographic distribution of noncommercial broadcast facilities, and (3) availability of noncommercial broadcast service to the greatest number of people in as many areas as possible. The maximum Federal share is 75 percent for the purchase of eligible broadcast transmission equipment for any given project to be used for new initiatives or upgrading existing stations. Since the Federal government maintains a 10-year interest in the use of the broadcast facility, the availability of all nonfederal funds necessary for the construction and operation of the facility must be documented as a prerequisite of grant approval. The maximum Federal grant for any one State under this program is limited to 8½ percent of the total EBFP appropriation for that fiscal year. Grantees receive 50 percent of their award when it has been certified that funds are needed to pay incurred liabilities. Final payment is made upon project completion.

Educational TV programming support is authorized under the Cooperative Research Act. The purpose of this program is to provide funds in support of the development, production and installation of innovative children's educational television programs, which demonstrate an ability to help children learn, especially the disadvantaged, in their school or at home. A goal of such programming is to asist in closing the gaps in both the affective and cognitive learning that exists among children.

Plans for fiscal year 1975

EBFP goal will be to continue to bring existing stations up to the minimum level necessary to serve their communities effectively by improving or expanding 23 educational television (ETV) and 9 educational radio (ER) stations. Also, about 4 new ETV and 6 ER facilities will receive Federal support. This will provide ETV coverage to about 82% of the population and ER coverage to nearly 68%.

One 1975 objective of Educational TV programming support will be to continue to fund the Children's Television Workshop (CTW) for the production of new program segments of both Sesame Street and The Electric Company. A second objective is to initiate or maintain two to four other educational television programs, $2,000,000 to $3,000,000 will be available for this purpose. Funding for CTW and other educational television programs will be carried out with full understanding and agreement from the Corporation for Public Broadcasting (CPB).

## Accomplishments for fiscal years 1973/1974

In fiscal year 1973, 78 noncommercial Educational Radio (ER) and Educational Television (ETV) stations received grants. Eight grants were for new activations and 40 grants for expansion or improvement of existing ETV facilities. The remaining 30 grants were made to ER stations and represented 10 new starts and 20 grants for upgrading. Approximately 70-75% of the total U.S. population is now in an ETV reception area, and almost 60% is within an ER reception area.

In FY 1974, it is estimated that 93 grants will be made (56 to ETV and 37 to ER facilities). Forty-seven existing TV stations and 22 radio stations will receive grants to help upgrade their facilities. Nine new ETV stations and 15 radio stations will be established by communities without such services. By the end of FY 1974 80% of the nation will be able to receive ETV signals and over 65% will be capable of receiving ER signals.

In fiscal years 1973 and 1974, one major grant was made under the Educational TV Programming Support Program. Continuing support was given to the Children's Television Workshop for production activities associated with Sesame Street and The Electric Company. The focus of Sesame Street is on basic reading and arithmetic skills for preschool children. The Electric Company provides instruction in basic reading skills for children, ages 7-10. Both programs provide home-based instruction and serve in some schools as a supplement to formal instruction during day-care or regular school hours. The two programs are carried on 240 educational television stations through the Public Broadcasting Service (PBS) and on approximately 50 commercial stations, where noncommercial television reception is not available.

Originally, support for the two CTW programs was considered as "demonstration grants." It is now proposed to continue funding under a "service" concept, i.e., service to and for preschool and early elementary disadvantaged children and others with reading problems in cognitive, affective and psychomotor development areas.

Projections based on a national audience rating survey indicated that Sesame Street reached nine million children, exclusive of group viewing situations. The positive educational effect upon program viewers has been ascertained by surveys conducted by the Educational Testing Service of Princeton, New Jersey. The percentage of school viewing of The Electric Company, last season was estimated at 34% of all elementary schools in the United States or approximately 3 million students. In addition to the in-school usage, estimates made by a national audience rating company indicated that more than a million school age children view The Electric Company regularly at home.

### SUPPLEMENTAL FACT SHEET

### Educational Broadcasting Facilities

### Summary of Accomplishments

| | # of Stations Activated | | # of Stations Expanded/ Upgraded | | Est. % of Population Served | |
|---|---|---|---|---|---|---|
| | Educ. TV | Educ. Radio | Educ. TV | Educ. Radio | Educ. TV | Educ. Radio |
| 73 | 8 | 10 | 40 | 20 | 75 | 60 |
| 74 st.) | 9 | 15 | 47 | 22 | 80 | 65 |
| 75 st.) | 4 | 6 | 23 | 9 | 82 | 68 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Civil Rights advisory services | $21,700,000 | $21,700,000 | --- |
| New awards.......................... | (10,332,000) | (10,332,000) | (---) |
| Competing continuing awards......... | (11,368,000) | (11,368,000) | (---) |

## Narrative

### Program Purpose

This program, authorized by Title IV of the Civil Rights Act of 1964, renders technical assistance in the preparation, adoption, and implementation of plans for the desegregation of public schools, and provides services and training for people to deal effectively with special educational problems occasioned by desegregation.

In order to carry out the purpose of this activity, awards are made to general (desegregation) assistance centers, to State educational agencies, to universities for training institutes, and to local educational agencies for technical assistance and training.

### Plans for fiscal year 1975

In fiscal year 1975 an estimated 160 projects will be funded. Under these projects, an estimated 75,000 school personnel would be trained to meet problems incident to desegregation. An estimated 7 million students, including at least 3 million minority group students, would benefit from these activities. Special attention will be directed toward assisting large northern metropolitan areas.

### Accomplishments for fiscal years 1973/74

The 1973 supplemental appropriation provided for continuation of the Civil Rights Act Title IV activities, including the expansion of coordinated technical assistance. To ensure adequate support of desegregation activities throughout the nation, new program regulations and review criteria were developed for this fiscal year, 1973. The key elements of these new policies were (a) the reservation of 50% of available funds for centers, 25% for State education agencies, 15% for institutes, and 10% for direct grants to school districts, (b) the designation of 27 geographic service areas, each to be served by a separate general assistance center, and (c) the formulation of objective review criteria which focus available funds on the areas of greatest desegregation need.

In fiscal year 1973, a total of 131 projects in 45 States (including 44 institutes, 27 general assistance centers, 34 State educational agencies and 26 local educational agencies) were funded under new 1973 Title IV regulations. In addition to these awards, 61 fiscal year 1972 Title IV projects were continued with fiscal year 1973 funds. Under these projects, 61,500 school personnel were trained and 5,740,000 students, including 2,460,000 minority group students, benefited from these activities.

Policies and procedures established in fiscal year 1973 for Title IV will also be utilized in fiscal year 1974. Accordingly, about 139 projects (including 85 continuations) are projected to be funded at an average award of $156,000.

In 1974 an estimated 62,250 school personnel will be trained and 6,090,000 students, including 2,610,000 minority group students, will benefit from these activities.

In FY 1973 obligations were made late in the fiscal year for expenditure in the 1973-74 school year. Projects have, therefore, been in operation for about six months. In FY 1974 funds will be obligated for expenditure in FY 1975.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Follow Through: | $ 41,000,000 | $ 35,000,000 | $ -6,000,000 |
| Non-competing continuing awards.................. | (36,482,000) | (31,052,000) | (-5,430,000) |
| Contracts.................. | (4,518,000) | (3,948,000) | (-570,000) |

## Narrative

Purpose:

Follow Through is an experimental program designed to test various models of early primary education programs being developed to increase the achievement of disadvantaged children who have been enrolled in Head Start and other similar preschool programs. The goal for these models is to insure that every child emerges from the primary grades confident of his ability to learn and well equipped with the skills and concepts that form the basis of later learning. Typically, the academic program stresses reading and language development, classification and reasoning skills, and perceptual motor skills. The goal of the Follow Through Program is to determine those approaches and procedures which are most effective with disadvantaged children. Funds were authorized under the Economic Opportunity Act of 1964, as amended by Public Law 90-222. New authorizing legislation is required.

Plans for fiscal year 1975:

A total of $35,000,000 is being requested for the Follow Through experiment of which $11,293,000 will support activities in school year 1974-75 and $23,707,000 will fund activities in school year 1975-76. In accordance with the evaluation design, program phase out will begin September, 1974. Consequently, the 22 educational institutions which have been developing different approaches to early elementary education (K-3) for disadvantaged children and the 170 local Follow Through projects using various approaches will be funded at progressively reduced levels. Phase-out will continue at the rate of one grade level per year. The group of children entering the program for the first time in September 1973 were, therefore, the final group of new children to enter the program. School year 1976-77 will be the last year of program operation. The phase out strategy will not result in terminating support for any students currently enrolled in the program.

The longitudinal evaluation of the impact of Follow Through models on students, parents, and institutions will be continued during phase-out. Data from the national longitudinal evaluation and from sponsor and school district evaluation will be used to make preliminary identification of effective models.

Accomplishments in fiscal years 1973/74:

In school year 1973-74 fiscal 1973 funds supported 21 of the sponsors and 170 local Follow Through projects. (The remaining sponsor was funded out of the fiscal year 1974 appropriation.)

Fiscal year 1973 funds were also allocated during academic year 1973-74 for data analyses in the national longitudinal study. Fiscal year 1974 funds will support further data collection during the 1973-74 academic year plus some related analysis activities. Data collection has been completed on the first group of children who entered school in the fall of 1969. An interim report on the results through the spring of 1972 will be issued in the Spring of 1974. Preliminary results indicate that some models are more effective than others in bringing about improvements in reading and mathematics achievement. Some models also show up better on noncognitive measures though these are not necessarily the same as those that score high on achievement.

Also in academic year 1973-74, fiscal year 1973 funds (a) refunded supplementary activities for paraprofessionals at 65 sites; (b) refunded 49 State educational agencies providing technical assistance to project sites and (c) supported the collection of materials developed by sponsors and projects.

Since academic year 1974-75 is the first year of the scheduled phase-out, there will be no entering group of children. Consequently, the 170 project sites will be supported at a lesser amount than in the previous year. Fiscal year 1974 funds will be used for this purpose as well as for the supplementary training activities at 66 sites, the technical assistance activities of about 25 State educational agencies, and the materials collection program. (Support for the 22 sponsors will be drawn from the 1975 appropriation if funds are available. Fiscal year 1974 funds will also be allocated to continue data analysis activities. Interim national evaluation reports will be issued annually. Data from school districts and sponsors will also be analyzed for use along with the national evaluation study data to identify effective Follow Through models.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Equipment and Minor Remodeling: | | | |
| (a) Grants to States................ | $26,250,000 | --- | $-26,250,000 |
| (b) State Administration........... | 2,000,000 | --- | - 2,000,000 |
| (c) Loans to nonprofit Private Schools | 250,000 | --- | - 250,000 |
| Total......................... | 28,500,000 | --- | -28,500,000 |

## Narrative

### Program Purpose

The purpose of this program under Title III of the National Defense Education Act is to strengthen instruction in twelve academic subjects through the acquisition of equipment and materials and through minor remodeling. Matching grants are allocated annually to State education agencies on a formula based on the number of school-age children in the State and the wealth in the State per school age child.

In order to qualify for a grant, a State must submit through its State educational agency a State plan. Federal funds provide support up to 50 percent of the total costs of eligible projects and State administration costs. Federal funds are limited to public elementary and secondary schools, and materials must be other than textbooks and supplies consumed through use. Loans are made to private nonprofit schools for the same purposes.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs previously funded under this authority.

### Accomplishments in fiscal years 1973/1974

In fiscal year 1973 from the appropriation of $50,000,000, $2,000,000 was made available to the States to cover State administration costs. The remaining $47,750,000 for grants to States and $250,000 for loans to nonprofit private schools has been made available in fiscal year 1974, along with the 1974 appropriation of $28,500,000. These funds are now benefitting more than 36,000,000 elementary and secondary school children in about 10,000 school districts.

Local educational agencies are continuing to place emphasis on improving instruction in laboratory science and for equipment for advanced courses, such as aeronautical and space science. Coordination at the local level with the school library resources program continued. For example: coordinating ESEA II and NDEA III has been quite effective in all States of the Upper Midwest. Five of these States have one administrator for both programs. Every State reported that not only did ESEA II and NDEA III coordinators work closely at the State level, but local school coordinators were able to develop projects incorporating funds for "software" from ESEA II and funds for "hardware" from NDEA III. The same joint Advisory Committees serve both programs in Nebraska and Ohio. State Title III staff profited by the upgrading of State Departments of Education under ESEA V.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Drug Abuse Education | $5,700,000 | --- | $-5,700,000 |
| New awards........................ | (3,500,000) | (---) | (-3,500,000) |
| Non-competing continuing award.... | (2,200,000) | (---) | (-2,200,000) |

## Narrative

### Program Purpose

This program authorized by the Drug Abuse Office and Treatment Act of 1972, involves the development, demonstration, dissemination and evaluation of new and improved curricula on the problems of drug abuse; training programs for teachers, counselors, law enforcement officials, public service and community leaders and other persons; community education programs for parents and others on drug abuse problems. This is a discretionary program.

### Plans for fiscal year 1975

Beginning in 1975, Federal support for drug abuse education activities will be terminated. The program has focused on developing leadership teams at the State and local level, to assist schools and communities in responding to problems of drug abuse. Although drug abuse problems and drug education needs still exist, the Federal effort can be decreased at this time due to the increased reliance placed on State and local agencies for continued work in this area.

### Accomplishments for fiscal years 1973/1974

The program continued support in fiscal year 1973 for 55 projects in State and territorial education agencies to increase the response capability of schools to prevent drug abuse by providing inservice training for education personnel.

Support was provided to continue 11 college-based projects offering a variety of service and training activities for students on college campuses. Eight school-based projects involving students in activities as peer counseling, "rap" sessions, values clarification, communications skills sessions, community projects, and alternatives were continued, as was support of 28 community-based projects to stimulate broad-based comprehensive community drug abuse prevention efforts involving as many segments of the community as possible (service organizations, church groups, parent groups, law enforcement agencies, youth groups).

Under these projects, linkages are established also with the schools and particular emphases is placed on reaching out of school or alienated youth.

Regional training centers which provided training and technical assistance to 900 community teams in all 50 States, Puerto Rico, Virgin Islands and the District of Columbia were supported.

The National Action Committee which provided technical assistance through approximately 250 site visits to ongoing projects, model components of projects, and to college teams trained in two pre-service workshops also sponsored by the NAC was continued. The NAC further provided consultation and information management to the national program.

A year-long comprehensive evaluation review of all projects in the national program was funded to identify 50 successful drug abuse prevention practices which may be disseminated to and adapted by local communities.

In fiscal year 1974, support will be given to some 5 pilot demonstrations which will provide for a variety of approaches to pre-service drug education training for prospective educational personnel ($475,000).

Some 270 community teams will be trained to return to their communities with the necessary skills to set up drug abuse prevention programs geared to their communities' needs ($800,000).

Five regional training centers will be given support to train the school and community teams noted above ($2,000,000).

The National Action Committee will be given continued support to provide technical assistance and information management skills to the national program ($200,000).

Some 200 school-based teams will provide training in drug abuse prevention at a cost of $2,000,000.

And, finally, evaluation of the preservice demonstration models and the new school team training approach will receive support ($225,000).

| | 1974 Base* | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Environmental Education.................. | $1,900,000 | --- | $-1,900,000 |
| **New awards** .......................... | (1,900,000 | (---) | (-1,900,000) |

## Narrative

### Program Purpose

The Environmental Education Act (P.L. 91-516) authorizes support for pilot and demonstration projects to assist development of formal and nonformal environmental education programs throughout the educational continuum. Grants and contracts are made to nonprofit organizations and agencies for resource material development, personnel development, elementary and secondary education and community education projects through which citizens can acquire the knowledge, skills and attitudes needed to help resolve current and avoid future environmental problems.

### Plans for Fiscal Year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for Fiscal Year 1973/1974

In fiscal year 1973, this program continued to monitor 162 FY 1972 grants and ten continuation grants initiated in FY 1971.

In FY 1974, $820,000 from fiscal year 1973 will be used to support an estimated 40 new pilot projects for the development of materials, personnel development, elementary and secondary education, and community education.

In fiscal year 1974 emphasis is being placed on (1) assessment of projects funded during the past three years; (2) development, identification, and dissemination of prototypes of project grants funded in FY 1971-1973; (3) development, through contracts, of basic source material in four underdeveloped environmental education content and process areas, e.g. energy, natural environment, man-made environment, and community education; (4) completion of the first phase of a proposed assessment and state-of-the-art review; and (5) funding of approximately 60 pilot projects in resource material development, personnel development, elementary and secondary education, and community education.

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* Excludes 1973 appropriation restorations.

| | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Nutrition and Health...................... | $1,900,000 | --- | $-1,900,000 |
| New awards............................ | (1,420,000) | (---) | (-1,420,000) |
| Continuations........................ | (480,000) | (---) | (-480,000) |

## Narrative

### Program Purposes

The legislative authority for this program is Section 164, P.L. 91-230, 84 Statute 153 (20 U.S.C. 887a). This program supports demonstration projects whose objectives are to improve school nutrition and health services for children from low-income families by: (1) coordinating and focusing nutrition and health service resources, including those that are federally supported, in the areas to be served; (2) providing supplemental health, nutrition, mental health and food services to children from low-income families when available resources are inadequate to meet the needs of the children; (3) supporting in-service education and training for professional and other school personnel involved in the projects; and (4) assisting project personnel in evaluation of the project's effectiveness.

### Plans for Fiscal Year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for Fiscal Years 1973/1974

In fiscal year 1973, continuing grants provided support for the third and final year of the originally planned eight demonstration projects funded when the program was initiated. Continuing grants were given to four demonstration projects in their second year of operation involving 50 schools. These projects are demonstrating a variety of comprehensive models for improving the delivery of information and services in health and nutrition, targeted at poor and disadvantaged children. Federal facilities located in the target areas are used e.g., Comprehensive Health Center (314e), Children and Youth Project (C&Y), Comprehensive Mental Health Center (NIMH), Comprehensive Neighborhood Health Center (OEO), Model Cities (MC), Indian Health Service (IHS), and Child and Family Feeding Programs (USDA).

In fiscal year 1974, information will be disseminated on the eight Demonstration Projects nearing completion so that maximum use can be made of what has been learned. The four Demonstration Projects will be supported for a third and final year. Three to four new projects (each for a two-year period) will be developed and funded; they will serve geographic areas and additional low-income population groups not now being reached.

The Office of Education will continue to monitor and provide technical assistance to the twelve existing projects. The current independent evaluation effort of the eight original projects will be completed.

In FY 1974, $300,000 from fiscal year 1973 funds will be used to provide each of 12 existing projects with $25,000 to "package" the results of what has been learned by their demonstration effort after their third year of operation. These materials are to be prepared in a form which will be useful to other interested school districts.

The remaining $200,000 will be supplemented with $480,000 of new fiscal year 1974 money to continue four second year projects for their third and final year.

* Excludes 1973 appropriation restorations

## OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity: Educationally Deprived Children (ESEA I)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $1,719,500,000 | 1/ | 1/ |

Purpose: Grants are made to States and to local school districts to provide special services to educationally deprived children residing in areas of high concentration of low-income families; for migrant children, handicapped children, dependent and neglected children, and juvenile delinquents. These funds are used to supplement existing State and local education outlays. Special incentive grants are also made to States and special grants for urban and rural schools serving areas with the highest concentrations of children from low-income families are made to local school districts.

Explanation: The basic Title I grant entitlement to local school districts is computed on a county basis by multiplying the number of eligible children by one-half the State or National per pupil expenditure, whichever is higher. This entitlement is then prorated down to the funds available and grants are made through the State.

Accomplishments in 1974: Approximately 6.1 million children in over 14,000 school districts are participating in the Title I program.

Objectives for 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program.

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1/ Included under proposed consolidated education grants legislation.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Supplementary Services (ESEA III)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $146,393,000 | 1/ | 1/ |

Purpose: This program, authorized by Title III of ESEA, provides grants to States and local educational agencies for the purpose of adapting and installing new and innovative educational models and practices, and for maintaining education service centers, which assist local school districts.

Explanation: Grants are allocated to the States on a formula basis with 85% of the grant to the State plan and 15% reserved to the Commissioner of Education for grants directly to local educational agencies. Fifteen percent of grants to State and local districts are reserved for educating handicapped children.

Accomplishments in 1974: States funded over 1,600 demonstration projects in such National priority areas as reading, equalizing educational opportunity, and a variety of areas of State identified concerns. Approximately 75 exemplary projects will be maintained for a total of $5.6 million to serve as demonstration and training sites for school districts having educational needs in the specific area of the demonstration. In addition, 45 grants will be made for $4.5 million to serve as facilitators to promote the adoption within their respective States of the selected national demonstration projects. Another twenty-five (25) grants, totaling $1.8 million, will be awarded to local educational agencies who have already identified exemplary programs for which they are seeking installation support. Also, $1.5 million will support the field testing of 8 exemplary compensatory education projects focussing on the skill areas of reading and math in 3 sites each, or 24 locations. This field test is part of the preparation for the new OE program on Identification, Packaging and Field-testing of Validated Educational Programs and Products. In addition to the primary emphasis on replication, $0.3 million in Section 306 funds will be used to implement 2 model demonstration programs which are designed to provide more effective services to the victims of child abuse enrolled in elementary and secondary schools.

Objective for 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

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1/ Included under proposed consolidated education grants legislation.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Strengthening State Departments of Education (ESEA V)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $39,425,000 | 1/ | 1/ |

Purpose: This program provides grants to State educational agencies for the purpose of strengthening State personnel and resources to assist local school districts. Under ESEA, Title V, Parts A and C, support is directed at helping States to develop capabilities in the areas of management, planning and evaluation.

Explanation: Funds are provided under Part A on a formula basis to States, 5% of these funds support special projects which have relevance to going beyond State boundaries. Under Part C, each State agency was granted funds for comprehensive planning and evaluation.

Accomplishments in 1974: The States continued activities designed to improve and increase the leadership and services provided for local educational agencies, and investigated alternatives to their organizational and governance structures. All 56 State education agencies made provisions for improving planning and evaluation units. Ten SEA's piloted models at local school districts, 25 SEA's provided training in planning and evaluation for local school personnel, and 6 metropolital districts participated directly in establishing planning and evaluation units.

Objectives for 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and Localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

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1/ Included under proposed consolidated education grants legislation.

OFFICE OF EDUCATION

Elementary and Secondary Education

## Program Purpose and Accomplishments

Activity: Bilingual Education: (ESEA VII)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $50,350,000 | 1/ | $35,000,000 |

Purpose: As authorized by Title VII, ESEA, the Commissioner may award grants on a competitive basis to local educational agencies to demonstrate new and imaginative elementary and secondary school programs designed to meet the specific educational needs of children from low-income families who come from environments where the predominant language is other than English. Applied research projects, pilot projects designed to test the effectiveness of innovative approaches, the development and dissemination of special instructional materials, and preservice and inservice training for classroom personnel are also authorized.

Explanation: Applications are accepted from local educational agencies or from institutions of higher education applying jointly with an LEA. Applicants must notify the State educational agency of their application. Proposals are judged by outside experts, specialists and State educational agencies on the basis of need and quality of the program proposed. Approved grants are usually funded over a five year period. The program is forward funded.

Accomplishments in 1974: Some 165 demonstration projects will be continued and around 58 new projects will be supported at an average annual cost of $159,000. Released fiscal year 1973 funds amounting to $9,870,000 will fund 30 of these new starts for a two-year period. Projects will continue to develop bilingual educational materials in Spanish, French, Chinese, Portuguese and several Indian languages and will include inservice training of educational personnel. Dissemination efforts will include a Spanish core curriculum for grades one through three.

Objectives for 1975: Approximately 165 projects will receive continuation support and around 55 new starts will be made in geographical areas where there has been no previous bilingual demonstration. Model components of about 10 exemplary projects will be disseminated as well as field-tested curriculums in Spanish, French, Chinese and Portuguese. Long range curriculum development plans include extending the Spanish core curriculum through grade six.

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1/ Authorizing legislation pending.

OFFICE OF EDUCATION

Elementary and Secondary Education

## Program Purpose and Accomplishments

Activity: Right to Read

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $12,000,000 | 1/ | $12,000,000 |

Purpose: The purpose of the Right to Read program is to provide facilitating services and resources to stimulate educational institutions, governmental agencies, and private organizations to improve and expand their activities related to reading. The Right to Read program is both an impetus to and a component of a large National Reading Effort. The goal of this National Effort is to eliminate functional illiteracy in this country to the extent that by 1980, 99 percent of the population sixteen years of age, and 90 percent of the population over sixteen years of age will be functionally literate. (Cooperative Research Act enacted as Title IV of Public Law 89-10 and as amended by the Education Amendments of 1972, Public Law 92-318)

Explanation: Eligible grantees include local educational agencies, institutions of higher education, State education agencies, and other public and private agencies. Grants will be reviewed by teams with membership from the Office of Education, other government agencies, and non-government groups. No matching funds are required.

Accomplishments in 1974: Thirty-one State education agencies will receive funds to train local Right to Read directors. One hundred six school-based sites and 74 community-based sites will be funded to demonstrate effective approaches to reading and literacy. Mechanisms were developed for identifying, packaging and utilizing effective reading programs and practices. Other activities included development of an Adult Literacy TV series; planning the implementation of the adult TV programs; establishment, with major corporations, of ways to institute on-the-job literacy programs. In fiscal year 1974 grants were awarded for the design and implementation of improved reading education programs.

Objectives for 1975: In addition to continuing support for activities funded in 1974, planning grants will be awarded for up to 10 additional State education agencies; Right to Read will collect, screen, and reproduce instructional materials which were developed by demonstration projects for children and adults; Right to Read Academies will be established using the concept of generating a commitment to public service by volunteers who will give 3-5 hours per week for a year to help eliminate illiteracy.

1/ Authorized under Cooperative Research Act which has a total authorization of $78,000,000 for fiscal year 1975.

## OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity/Subactivity: Educational Broadcasting Projects
(1) Educational broadcasting facilities
(2) Educational television programming support

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $18,675,000 | 1/ | $14,000,000 |

Purpose: This program is designed to improve and extend the delivery of educational programs through the use of technology-based systems. Two subactivities of this program are the educational broadcasting facilities program (EBFP) and support for the production and distribution of educational television programs.

Explanation: This program is authorized by two separate pieces of legislation, Part IV of Title III of the Communications Act of 1934, as amended, and the Cooperative Research Act. The former piece of legislation was extended in 1973 to continue the Corporation for Public Broadcasting and the broadcast facilities program. Facilities purchased with matching grants from this program enable States and locally-controlled public television and radio stations to air educational and community-service programs. Public broadcasting stations provide national and local audiences with TV programs as an alternative to programs offered by commercial stations and networks. The cooperative research act, under this budget line item, authorized support for Sesame Street and The Electric Company. This year, educational TV programs in addition to these two children's programs, will support production and related activities for other demonstrations.

Accomplishments in 1974: EBFP grants will help improve the broadcasting facilities of 47 ETV stations and 22 radio stations. Grants also will help activate 9 new ETV stations and 15 radio stations. By the end of 1974, almost 80% of the nation will be able to receive ETV signals; around 65% will be capable of receiving educational radio signals Children's Television Workshop received $3 million of FY 1974 money for continuing the production and editing of Sesame Street and The Electric Company.

Objectives for 1975: EBFP grants with $7 million will assist in the improvement or expansion of 23 ETV stations and 9 radio stations. Support will also be given to help activate 4 new ETV non-commercial stations and 6 educational radio stations. Children's Television will receive continued support, and a limited number (2-4) new television-based programs, will be given support.

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1/ The Education Broadcasting Facilities Program is authorized at $30 million for fiscal year 1975, the last of a 2-year authority. The educational television programming support is authorized under the Cooperative Research Act.

## OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity: Civil rights advisory services (Civil Rights Act of 1964, Title IV)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $21,700,000 | Indefinite | $21,700,000 |

Purpose: To render technical assistance in the preparation, adoption, and implementation of the plans for the desegregation of public schools, and to provide services and training for people to deal effectively with special educational problems occasioned by desegregation.

Explanation: To carry out the purpose of this activity, project awards are made on a competitive basis to general (desegregation) assistance centers, to State educational agencies, to universities for training institutes, and to local educational agencies for technical assistance and training.

Accomplishments in 1974: About 139 projects (including 85 continuations) are projected to be funded at an average of $156,000. An estimated 62,250 school personnel will be trained and 6,090,000 students, including 2,610,000 minority group students, will benefit from these activities.

Objectives for 1975: In fiscal year 1975 an estimated 160 projects will be funded to train an estimated 75,000 school personnel to meet problems incident to desegregation. An estimated 7 million students, including at least 3 million minority group students, would benefit from these activities.

## OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity: Follow Through (Economic Opportunity Act of 1964)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Estimate |
| $ 41,000,000 | 1/ | $ 35,000,000 |

Purpose: This program is an experimental program designed to develop and test effective ways of educating disadvantaged children in the early primary grades (K-3). The program was authorized by the Economic Opportunity Act of 1964, Section 222. New authorizing legislation is required.

Explantion: Local school districts applying to participate in this program are assisted in the selection and design of educational approaches by "sponsoring" agencies or groups. Sponsors generally are the developers of newer and structured models for teaching disadvantaged children. Local matching funds are required. Twenty two educational institutions developing different approaches and 170 projects testing these approaches comprise this experiment together with a national evaluation compontent.

Accomplishments in 1974: In the current year (school 1973-74), out of fiscal year 1973 funds, 170 local Follow Through projects were refunded to continue as were 49 States and 21 sponsors. One other sponsor was funded for school year 1973-74 out of fiscal year 1974 funds. Supplementary training activities involving 66 of the 170 sites, were also funded. Funds were allocated from fiscal year 1974 funds to: (a) support a specialist utilization contract for part of school year 1973-74; (b) support data collection, technical assistance and related activities for research and evaluation.

Objective for 1975: To continue to support the Follow through experiment, 22 sponsors and 170 projects will be aided. The national longitudinal evaluation study of the impact ot Follow Through models on students, parents and institutions and the making of preliminary identification of effective models based upon national, school, district, and sponsor evaluation will be continued. Phase-out will continue at the rate of one grade level per year. The group of children entering the program for the first time in September 1973 were, therefore, the final group of new children to enter the program. School year 1976-77 will be the last year program operation.

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1/ New authorizing legislation to be proposed.

## OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity: Equipment and Minor Remodeling (National Defense Education Act, Title III)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ 28,500,000 | $ 140,500,000 | 1/ |

Purpose: The purpose of this program under Title III of the National Defense Education Act is to strengthen instruction in twelve academic subjects through the acquisition of equipment and materials and through minor remodeling. Matching grants are allocated annually to State education agencies on a formula based on the number of school-age children in the State and the wealth in the State per school age child.

Explanation: In order to qualify for a grant, a State must submit through its State educational agency a State plan. Federal funds provide support up to 50 percent of the total costs of eligible projects and State administration costs. Federal funds are limited to public elementary and secondary schools, and materials must be other than textbooks and supplies consumed through use. Loans are made to private nonprofit schools for the same purposes.

Accomplishments in 1974: In fiscal year 1974 the appropriation of $28,500,000 plus the $48,000,000 ($47,750,000 for the State grant program and $250,000 for loans to non-public schools) released from the 1973 appropriation is benefiting more than 36,000,000 elementary and secondary school children in about 10,000 local school districts.

Plans for Fiscal Year 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs previously funded under this authority.

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1/ Included under proposed consolidated education grants legislation.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Drug Abuse Education

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $5,700,000 | $160,000,000 | --- |

Purpose: Authorized by the Drug Abuse Office and Treatment Act of 1972, this program is designed to support schools and communities to assess and respond to drug problems. Emphasis is placed on assisting local communities, school districts and State education agencies to diagnose local and unique problems which may be aleviated by a range of alternative solution strategies. The program places heavy importance on the coordination of multiple community resources and groups, including the schools.

Explanation: Grants are awarded on a competitive basis to State and local educational agencies, colleges and universities, research groups and community agencies. A major program emphasis is to provide training and technical assistance through training centers to programs developed at the local level.

Accomplishments in 1974: Support will be given to 5 sites for demonstrating a variety of approaches to preservice drug education training for prospective educational personnel. In addition, 200 school-based and 270 community teams will be trained. The school-team training approach is a new program to demonstrate a variety of approaches in school settings which have proved to be effective across the country. Five regional training centers will be maintained to train the school and community teams, and an evaluation effort will assess the effectiveness of the preservice demonstration models as well as the school-team approach.

Objectives for 1975: Federal support for drug and alcohol abuse education programs will be terminated as the State and local agencies assume a greater role.

OFFICE OF EDUCATION

Elementary and Secondary Education

Program Purpose and Accomplishments

Activity: Environmental Education

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $1,900,000 | 1/ | 1/ |

Purpose: The goal of this program, which is authorized by the Environmental Education Act, P.L. 91-516, is to help assure the availability of locally relevant, effective, and usable environmental education resources and thus promote adequate opportunities for citizens, particularly educational personnel, to achieve "environmental literacy" for environmental improvement.

Explanation: Funds for this program are awarded on a competitive basis to any non-profit agency, institution or organization for carrying out environmental education demonstration projects.

Accomplishments in 1974: In fiscal year 1974, 60 projects receive support for the development of resource materials, the training of educational personnel, pilot elementary, secondary and community education projects.

Objectives for 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

1/ Included under proposed consolidated education grants legislation.

### OFFICE OF EDUCATION

### Elementary and Secondary Education

### Program Purpose and Accomplishments

Activity: Nutrition and Health

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $1,900,000 | 1/ | 1/ |

Purpose: To support projects to demonstrate comprehensive approaches to improve the delivery of health care and food services to needy children. The program is authorized by Section 164 of P.L. 91-230. Projects attempt to coordinate and mobilize community resources and educational personnel in meeting the needs of disadvantaged children.

Explanation: This program operates on a competitive basis. Applications are submitted by local educational agencies and are reviewed by an interagency review committee and by a panel of field readers. Chief State School Officers, State Title I Coordinators, and HEW Regional Office staff are asked to comment on proposals.

Accomplishments in 1974: Analysis of the eight demonstration projects, begun in 1971, will be completed. Dissemination of these eight will continue into fiscal year 1975. The four remaining comprehensive demonstration projects will receive support for their third and final year. Three or four new projects will be funded to carry out comprehensive projects over a two-year period. The latter will serve areas other than those presently funded.

Objectives for 1975: Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grants legislative program, where States and localities have greater flexibility in the use of Federal funds and will be able to continue projects and programs previously funded under this authority.

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1/ Included under proposed consolidated education grants legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title I, Assistance for Educationally Deprived Children

| State or Outlying Area | 1973 Actual | 1974 Estimate1/ | 1975 Estimate2/ |
|---|---|---|---|
| TOTAL | $1,730,263,221 | $1,653,758,769 | |
| Alabama | 42,202,992 | 36,493,796 | --- |
| Alaska | 4,021,595 | 4,599,585 | --- |
| Arizona | 11,978,718 | 11,316,883 | --- |
| Arkansas | 26,470,169 | 23,387,445 | --- |
| California | 139,306,052 | 136,427,683 | --- |
| Colorado | 14,450,735 | 14,303,375 | --- |
| Connecticut | 15,623,766 | 16,660,633 | --- |
| Delaware | 3,784,545 | 3,623,451 | --- |
| Florida | 40,384,476 | 40,099,379 | --- |
| Georgia | 47,659,858 | 42,996,362 | --- |
| Hawaii | 4,579,286 | 4,552,104 | --- |
| Idaho | 4,290,810 | 4,059,825 | --- |
| Illinois | 84,313,250 | 85,100,772 | --- |
| Indiana | 24,533,372 | 22,524,739 | --- |
| Iowa | 17,526,110 | 15,830,088 | --- |
| Kansas | 12,478,897 | 11,756,126 | --- |
| Kentucky | 38,302,224 | 33,406,748 | --- |
| Louisiana | 38,355,662 | 34,746,526 | --- |
| Maine | 7,244,690 | 6,544,253 | --- |
| Maryland | 24,780,182 | 25,902,529 | --- |
| Massachusetts | 31,986,103 | 32,244,298 | --- |
| Michigan | 68,148,539 | 69,588,672 | --- |
| Minnesota | 25,466,453 | 22,761,444 | --- |
| Mississippi | 44,154,990 | 38,128,416 | --- |
| Missouri | 29,118,849 | 26,381,108 | --- |
| Montana | 4,573,534 | 4,351,094 | --- |
| Nebraska | 8,979,467 | 8,066,433 | --- |
| Nevada | 1,450,622 | 1,547,647 | --- |
| New Hampshire | 2,838,134 | 2,880,038 | --- |
| New Jersey | 56,837,989 | 60,819,858 | --- |
| New Mexico | 11,203,896 | 9,079,256 | --- |
| New York | 237,285,717 | 235,837,947 | --- |
| North Carolina | 63,056,146 | 56,954,769 | --- |
| North Dakota | 5,766,073 | 5,390,468 | --- |
| Ohio | 55,124,106 | 53,553,511 | --- |
| Oklahoma | 20,732,515 | 18,879,323 | --- |
| Oregon | 12,850,458 | 12,440,147 | --- |
| Pennsylvania | 80,229,117 | 78,037,822 | --- |
| Rhode Island | 6,175,683 | 5,764,350 | --- |
| South Carolina | 37,107,533 | 32,804,677 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| South Dakota | 6,870,494 | 6,047,983 | --- |
| Tennessee | 38,712,613 | 33,569,995 | --- |
| Texas | 99,672,397 | 95,078,083 | --- |
| Utah | 5,262,738 | 5,391,105 | --- |
| Vermont | 3,250,485 | 3,051,586 | --- |
| Virginia | 38,562,358 | 34,648,453 | --- |
| Washington | 18,932,773 | 19,255,383 | --- |
| West Virginia | 21,681,593 | 18,477,097 | --- |
| Wisconsin | 22,748,065 | 22,164,345 | --- |
| Wyoming | 1,895,450 | 1,806,185 | --- |
| District of Columbia | 12,874,280 | 12,637,641 | --- |
| American Samoa | 408,440 | ( | --- |
| Guam | 1,088,847 | ( | --- |
| Puerto Rico | 33,431,764 | ( 51,787,333 | --- |
| Trust Territory | 1,244,150 | ( | --- |
| Virgin Islands | 686,228 | ( | --- |
| BIA | 17,567,233 | | --- |

1/ Total of all Part A Title I; State Agency grants at full authorization; State totals of grants to local educational agencies established for counties with no county receiving less than 90% of its FY 1973 allotment, and no State receiving less than 100% or more than 120% of its total LEA FY 1973 allotment. Parts B and C are not shown since State distributions have not yet been finalized.

2/ Included under the proposed consolidated education grants legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title III-Supplementary Educational Centers and Services

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate[2] |
|---|---|---|---|
| TOTAL | $170,546,200 | $146,168,000 | $ --- |
| Alabama | 2,875,336 | 2,449,468 | --- |
| Alaska | 575,943 | 539,162 | --- |
| Arizona | 1,630,795 | 1,425,868 | --- |
| Arkansas | 1,700,020 | 1,483,609 | --- |
| California | 15,026,329 | 12,658,630 | --- |
| Colorado | 1,922,730 | 1,670,727 | --- |
| Connecticut | 2,477,218 | 2,119,208 | --- |
| Delaware | 744,227 | 681,038 | --- |
| Florida | 5,122,313 | 4,337,343 | --- |
| Georgia | 3,730,575 | 3,168,026 | --- |
| Hawaii | 897,508 | 809,352 | --- |
| Idaho | 871,536 | 787,531 | --- |
| Illinois | 8,573,481 | 7,241,045 | --- |
| Indiana | 4,151,150 | 3,558,086 | --- |
| Iowa | 2,363,489 | 2,028,533 | --- |
| Kansas | 1,914,823 | 1,664,413 | --- |
| Kentucky | 2,659,869 | 2,268,435 | --- |
| Louisiana | 3,104,546 | 2,643,651 | --- |
| Maine | 1,051,208 | 938,488 | --- |
| Maryland | 3,196,175 | 2,729,392 | --- |
| Massachusetts | 4,393,548 | 3,740,901 | --- |
| Michigan | 7,117,972 | 6,026,892 | --- |
| Minnesota | 3,175,294 | 2,707,542 | --- |
| Mississippi | 1,986,367 | 1,726,634 | --- |
| Missouri | 3,701,093 | 3,145,843 | --- |
| Montana | 860,182 | 778,266 | --- |
| Nebraska | 1,393,820 | 1,228,975 | --- |
| Nevada | 693,683 | 638,079 | --- |
| New Hampshire | 702,695 | 782,786 | --- |
| New Jersey | 5,533,163 | 4,687,548 | --- |
| New Mexico | 1,127,375 | 1,002,483 | --- |
| New York | 13,429,701 | 11,317,078 | --- |
| North Carolina | 4,060,992 | 3,445,821 | --- |
| North Dakota | 805,035 | 731,658 | --- |
| Ohio | 8,342,971 | 7,043,933 | |
| Oklahoma | 2,115,002 | 1,833,574 | --- |
| Oregon | 1,804,782 | 1,574,962 | --- |
| Pennsylvania | 8,870,468 | 7,533,983 | --- |
| Rhode Island | 985,801 | 885,352 | --- |
| South Carolina | 2,242,479 | 1,933,957 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate[2] |
|---|---|---|---|
| South Dakota | 837,861 | 759,238 | --- |
| Tennessee | 3,156,293 | 2,685,525 | --- |
| Texas | 8,808,324 | 7,439,734 | --- |
| Utah | 1,145,939 | 1,018,081 | --- |
| Vermont | 664,862 | 614,621 | --- |
| Virginia | 3,715,731 | 3,155,554 | --- |
| Washington | 2,783,500 | 2,373,199 | --- |
| West Virginia | 1,562,586 | 1,368,140 | --- |
| Wisconsin | 3,634,564 | 3,087,703 | --- |
| Wyoming | 591,505 | 552,486 | --- |
| District of Columbia | 839,253 | 760,407 | --- |
| American Samoa | 195,979 | 188,128 | --- |
| Guam | 283,643 | 262,424 | --- |
| Puerto Rico | 3,781,210 | 3,144,654 | --- |
| Trust Territory | 310,350 | 282,758 | --- |
| Virgin Islands | 222,918 | 210,427 | --- |
| BIA | 338,127 | 296,649 | --- |
| Adjustment | -258,139 | --- | --- |

1/ Estimated distribution of $146,393,000 with $225,000 reserved for Advisory Council and distribution of $146,168,000 as per memorandum from the Office of the General Counsel. Three percent of $146,168,000 reserved for the outlying areas.

2/ Included under proposed consolidated education grants legislation.

### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

### Elementary and Secondary Education
Title V-A, Strengthening State Departments of Education

| State or Outlying Area | 1973 Actual | 1974 Estimate [1] | 1975 Estimate [2] |
|---|---|---|---|
| TOTAL | $40,850,000 | $32,941,250 | --- |
| Alabama | 735,323 | 592,120 | --- |
| Alaska | 355,764 | 288,664 | --- |
| Arizona | 543,973 | 448,433 | --- |
| Arkansas | 556,425 | 447,080 | --- |
| California | 2,738,394 | 2,187,405 | --- |
| Colorado | 601,813 | 490,477 | --- |
| Connecticut | 660,495 | 533,505 | --- |
| Delaware | 383,445 | 309,946 | --- |
| Florida | 1,061,158 | 874,667 | --- |
| Georgia | 889,005 | 712,796 | --- |
| Hawaii | 408,508 | 330,392 | --- |
| Idaho | 409,393 | 331,006 | --- |
| Illinois | 1,547,139 | 1,253,452 | --- |
| Indiana | 958,368 | 770,546 | --- |
| Iowa | 659,396 | 527,658 | --- |
| Kansas | 582,059 | 464,795 | --- |
| Kentucky | 689,275 | 555,969 | --- |
| Louisiana | 754,766 | 610,934 | --- |
| Maine | 442,012 | 356,769 | --- |
| Maryland | 793,426 | 640,769 | --- |
| Massachusetts | 925,012 | 753,894 | --- |
| Michigan | 1,455,076 | 1,183,398 | --- |
| Minnesota | 795,831 | 637,366 | --- |
| Mississippi | 593,616 | 475,708 | --- |
| Missouri | 857,910 | 683,359 | --- |
| Montana | 406,452 | 328,024 | --- |
| Nebraska | 486,197 | 392,905 | --- |
| Nevada | 380,727 | 307,917 | --- |
| New Hampshire | 397,056 | 322,173 | --- |
| New Jersey | 1,089,469 | 882,795 | --- |
| New Mexico | 461,217 | 372,970 | --- |
| New York | 2,133,400 | 1,732,748 | --- |
| North Carolina | 937,819 | 747,643 | --- |
| North Dakota | 390,911 | 313,900 | --- |
| Ohio | 1,583,248 | 1,278,293 | --- |
| Oklahoma | 642,051 | 516,218 | --- |
| Oregon | 564,906 | 454,328 | --- |
| Pennsylvania | 1,547,905 | 1,249,677 | --- |
| Rhode Island | 412,406 | 333,352 | --- |
| South Carolina | 647,725 | 525,845 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| South Dakota | $ 401,006 | $ 322,663 | $ --- |
| Tennessee | 784,870 | 630,490 | --- |
| Texas | 1,800,017 | 1,435,061 | --- |
| Utah | 473,059 | 381,712 | --- |
| Vermont | 367,949 | 297,473 | --- |
| Virginia | 878,463 | 704,669 | --- |
| Washington | 741,867 | 591,588 | --- |
| West Virginia | 523,046 | 422,750 | --- |
| Wisconsin | 833,975 | 673,500 | --- |
| Wyoming | 359,449 | 289,525 | --- |
| District of Columbia | 390,226 | 313,098 | --- |
| American Samoa | 73,584 | 73,165 | --- |
| Guam | 85,183 | 80,264 | --- |
| Puerto Rico | 491,186 | 345,313 | --- |
| Trust Territory | 90,028 | 82,638 | --- |
| Virgin Islands | 77,019 | 77,445 | --- |

1/ Estimated distribution of $34,675,000 with 5% ($1,733,750) reserved for Sec. 505; 2% ($658,825) of the balance reserved for the outlying areas and the balance distributed with 40% in equal payments and 60% distributed on the basis of the public school elementary and secondary enrollment, Fall 1971, amount for the areas distributed with a basic amount of $70,000 and the remainder on public school enrollment, Fall 1971.

2/ Included under proposed consolidated education grants legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
Title V-C, Strengthening State Departments of Education

| State or Outlying Area | 1973 Actual | 1974 Estimate [1/] | 1975 Estimate [2/] |
|---|---|---|---|
| TOTAL | $10,000,000 | $4,750,000 | $ --- |
| Alabama | 176,534 | 83,738 | --- |
| Alaska | 85,607 | 40,748 | --- |
| Arizona | 128,157 | 61,728 | --- |
| Arkansas | 132,521 | 62,934 | --- |
| California | 654,294 | 311,266 | --- |
| Colorado | 140,739 | 67,349 | --- |
| Connecticut | 164,612 | 78,063 | --- |
| Delaware | 92,724 | 44,080 | --- |
| Florida | 273,344 | 131,657 | --- |
| Georgia | 209,681 | 99,679 | --- |
| Hawaii | 99,143 | 47,209 | --- |
| Idaho | 97,496 | 46,491 | --- |
| Illinois | 398,493 | 187,960 | --- |
| Indiana | 227,163 | 107,535 | --- |
| Iowa | 158,617 | 75,245 | --- |
| Kansas | 141,949 | 67,078 | --- |
| Kentucky | 170,027 | 80,880 | --- |
| Louisiana | 182,293 | 86,528 | --- |
| Maine | 105,618 | 50,216 | --- |
| Maryland | 190,374 | 90,781 | --- |
| Massachusetts | 241,503 | 114,551 | --- |
| Michigan | 333,701 | 158,352 | --- |
| Minnesota | 186,978 | 88,790 | --- |
| Mississippi | 141,018 | 66,983 | --- |
| Missouri | 212,223 | 100,397 | --- |
| Montana | 96,958 | 46,125 | --- |
| Nebraska | 119,802 | 56,934 | --- |
| Nevada | 91,006 | 43,417 | --- |
| New Hampshire | 98,210 | 46,775 | --- |
| New Jersey | 284,304 | 135,449 | --- |
| New Mexico | 106,264 | 50,663 | --- |
| New York | 603,290 | 285,031 | --- |
| North Carolina | 223,934 | 106,370 | --- |
| North Dakota | 94,740 | 45,015 | --- |
| Ohio | 385,125 | 181,960 | --- |
| Oklahoma | 150,925 | 71,724 | --- |
| Oregon | 137,385 | 65,480 | --- |
| Pennsylvania | 418,170 | 197,698 | --- |
| Rhode Island | 104,346 | 49,498 | --- |
| South Carolina | 151,830 | 72,171 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| South Dakota | $ 96,143 | $ 45,638 | $ --- |
| Tennessee | 190,425 | 90,604 | --- |
| Texas | 400,888 | 191,291 | --- |
| Utah | 107,517 | 51,340 | --- |
| Vermont | 89,732 | 42,658 | --- |
| Virginia | 211,386 | 100,438 | --- |
| Washington | 175,521 | 83,128 | --- |
| West Virginia | 127,339 | 60,455 | --- |
| Wisconsin | 204,714 | 97,092 | --- |
| Wyoming | 86,482 | 41,100 | --- |
| District of Columbia | 98,755 | 46,708 | --- |
| American Samoa | 17,114 | 8,119 | --- |
| Guam | 19,487 | 9,227 | --- |
| Puerto Rico | 124,789 | 59,517 | --- |
| Trust Territory | 18,535 | 9,341 | --- |
| Virgin Islands | 20,075 | 8,796 | --- |

1/ Estimated distribution of $4,750,000 with 2% ($95,000) reserved for the areas, and the balance distributed with 40% in equal payments and 60% distributed on the basis of total resident population, July 1, 1971. Amount for the areas distributed with 40% in equal payments and 60% on the basis of total resident population, 4/1/70.

2/ Included under proposed consolidated education grants legislation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Elementary and Secondary Education
NDEA III Equipment and Minor Remodeling--Grants to States

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| TOTAL | $47,750,000 | $ 26,250,000 | --- |
| Alabama | 1,116,105 | 602,574 | --- |
| Alaska | 78,121 | 46,210 | --- |
| Arizona | 519,524 | 284,630 | --- |
| Arkansas | 586,690 | 317,700 | --- |
| California | 3,633,244 | 2,027,628 | --- |
| Colorado | 562,833 | 309,320 | --- |
| Connecticut | 477,280 | 273,849 | --- |
| Delaware | 122,422 | 68,599 | --- |
| Florida | 1,502,741 | 803,428 | --- |
| Georgia | 1,340,845 | 721,252 | --- |
| Hawaii | 193,274 | 100,829 | --- |
| Idaho | 226,693 | 123,901 | --- |
| Illinois | 2,057,975 | 1,173,613 | --- |
| Indiana | 1,261,778 | 700,652 | --- |
| Iowa | 682,180 | 384,718 | --- |
| Kansas | 537,646 | 285,002 | --- |
| Kentucky | 939,617 | 511,357 | --- |
| Louisiana | 1,212,386 | 667,315 | --- |
| Maine | 271,690 | 152,012 | --- |
| Maryland | 867,928 | 479,659 | --- |
| Massachusetts | 1,023,832 | 572,760 | --- |
| Michigan | 2,163,491 | 1,176,924 | |
| Minnesota | 1,019,153 | 556,603 | --- |
| Mississippi | 759,034 | 415,331 | --- |
| Missouri | 1,077,378 | 595,313 | --- |
| Montana | 210,074 | 116,118 | --- |
| Nebraska | 363,104 | 200,502 | --- |
| Nevada | 95,440 | 54,574 | --- |
| New Hampshire | 173,083 | 99,693 | --- |
| New Jersey | 1,240,453 | 706,673 | --- |
| New Mexico | 370,513 | 204,369 | --- |
| New York | 2,670,488 | 1,490,966 | --- |
| North Carolina | 1,478,010 | 788,789 | --- |
| North Dakota | 198,037 | 108,987 | --- |
| Ohio | 2,544,565 | 1,382,726 | --- |
| Oklahoma | 646,685 | 353,338 | --- |
| Oregon | 482,161 | 266,725 | --- |
| Pennsylvania | 2,475,420 | 1,357,870 | --- |
| Rhode Island | 173,359 | 99,246 | --- |
| South Carolina | 861,056 | 468,731 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate[2] |
|---|---|---|---|
| South Dakota | 206,092 | 113,497 | --- |
| Tennessee | 1,113,639 | 602,981 | --- |
| Texas | 3,147,850 | 1,696,302 | --- |
| Utah | 363,078 | 199,949 | --- |
| Vermont | 117,336 | 65,599 | --- |
| Virginia | 1,198,225 | 646,619 | --- |
| Washington | 729,965 | 408,341 | --- |
| West Virginia | 501,406 | 267,603 | --- |
| Wisconsin | 1,128,261 | 634,371 | --- |
| Wyoming | 93,853 | 51,156 | --- |
| District of Columbia | 98,354 | 53,721 | --- |
| American Samoa | 50,000 | 25,000 | --- |
| Guam | 50,000 | 25,000 | --- |
| Puerto Rico | 585,625 | 334,375 | --- |
| Trust Territory | 50,000 | 25,000 | --- |
| Virgin Islands | 50,000 | 25,000 | --- |
| BIA | 50,000 | 25,000 | --- |

1/ Estimated distribution of $28,500,000 with $2,000,000 reserved for State administration; $250,000 reserved for loans to nonprofit private schools; 2% of the balance reserved for the outlying areas and $25,725,000 distributed on the basis of the FY 1974 State products of NDEA allotment ratios, with 33-1/3% and 66-2/3% limits and the 5-17 population, July 1, 1971. Amount for the outlying areas distributed on the basis of the total public and nonpublic school elementary and secondary enrollment, Fall 1970, with a minimum of $50,000.

2/ Included under proposed consolidated education grants legislation.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
### Office of Education

### Elementary and Secondary Education
### NDEA-III Equipment and Minor Remodeling
### State Administration

| State or Outlying Area | 1973 Actual | 1974 Estimate1/ | 1975 Estimate2/ |
|---|---|---|---|
| TOTAL | $2,000,000 | $2,000,000 | $ --- |
| Alabama | 33,703 | 32,838 | --- |
| Alaska | 13,333 | 13,333 | --- |
| Arizona | 17,221 | 17,698 | --- |
| Arkansas | 18,419 | 17,521 | --- |
| California | 175,946 | 176,876 | --- |
| Colorado | 20,109 | 21,039 | --- |
| Connecticut | 26,519 | 27,293 | --- |
| Delaware | 13,333 | 13,333 | --- |
| Florida | 56,136 | 57,751 | --- |
| Georgia | 44,409 | 43,464 | --- |
| Hawaii | 13,333 | 13,333 | --- |
| Idaho | 13,333 | 13,333 | --- |
| Illinois | 100,264 | 100,788 | --- |
| Indiana | 48,142 | 48,688 | --- |
| Iowa | 26,237 | 26,193 | --- |
| Kansas | 21,483 | 19,866 | --- |
| Kentucky | 30,040 | 29,888 | --- |
| Louisiana | 37,788 | 36,818 | --- |
| Maine | 13,333 | 13,333 | --- |
| Maryland | 35,464 | 37,209 | --- |
| Massachusetts | 47,755 | 50,110 | --- |
| Michigan | 85,402 | 86,360 | --- |
| Minnesota | 36,309 | 37,031 | --- |
| Mississippi | 23,948 | 22,390 | --- |
| Missouri | 41,873 | 41,545 | --- |
| Montana | 13,333 | 13,333 | --- |
| Nebraska | 13,629 | 13,718 | --- |
| Nevada | 13,333 | 13,333 | --- |
| New Hampshire | 13,333 | 13,333 | --- |
| New Jersey | 62,475 | 64,397 | --- |
| New Mexico | 13,333 | 13,333 | --- |
| New York | 154,533 | 154,381 | --- |
| North Carolina | 48,212 | 46,627 | --- |
| North Dakota | 13,333 | 13,333 | --- |
| Ohio | 100,545 | 98,798 | --- |
| Oklahoma | 22,539 | 22,496 | --- |
| Oregon | 18,243 | 18,800 | --- |
| Pennsylvania | 101,813 | 102,849 | --- |
| Rhode Island | 13,333 | 13,333 | --- |
| South Carolina | 26,695 | 25,269 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| South Dakota | 13,333 | 13,333 | --- |
| Tennessee | 36,027 | 35,503 | --- |
| Texas | 109,737 | 106,118 | --- |
| Utah | 13,333 | 13,333 | --- |
| Vermont | 13,333 | 13,333 | --- |
| Virginia | 42,930 | 42,539 | --- |
| Washington | 30,639 | 30,812 | --- |
| West Virginia | 15,953 | 15,495 | --- |
| Wisconsin | 40,535 | 42,504 | --- |
| Whoming | 13,333 | 13,333 | --- |
| District of Columbia | 13,333 | 13,333 | --- |
| American Samoa | 4,000 | 4,000 | --- |
| Trust Territory | 4,000 | 4,000 | --- |
| Guam | 4,000 | 4,000 | --- |
| Puerto Rico | 19,000 | 19,000 | --- |
| Virgin Islands | 4,000 | 4,000 | --- |

1/ Estimated distribution of $2,000,000 with 1.75% ($35,000) reserved for the outlying areas and the balance distributed on the basis of 5-17 population, July 1, 1971 with a minimum amount of $13,333. Amount for the outlying areas distributed on the basis of the 5-17 popluation as of April 1, 1970, with a minimum of $4,000.

2/ Included under proposed consolidated education grants legislation.

TUESDAY, APRIL 9, 1974.

## SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

### WITNESSES

**ROBERT R. WHEELER, ACTING DEPUTY COMMISSIONER FOR SCHOOL SYSTEMS**

**DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION**

**THOMAS J. BURNS, ACTING ASSOCIATE COMMISSIONER FOR STATE AND LOCAL EDUCATIONAL PROGRAMS**

**GERALD M. CHERRY, DIRECTOR, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS**

**JAMES B. ROBERTS, EXECUTIVE OFFICER FOR SCHOOL SYSTEMS**

**DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING**

**CORA BEEBE, ACTING BUDGET OFFICER**

**THOMAS McNAMARA, BUDGET ANALYST**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

### WITNESS INTRODUCTION

Mr. FLOOD. We now have school assistance in federally affected areas. The presentation will be made by Robert R. Wheeler, Acting Deputy Commissioner for School Systems.

We have your biographical sketch in the record already.

Do you have anybody you want to introduce?

Mr. WHEELER. I would begin by introducing Mr. Gerald Cherry, the only other person who was not here before. Mr. Cherry is the director of the division of school assistance in federally affected areas.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: Gerald M. Cherry.
Position: Director, division of school assistance in federally affected areas.
Birthplace: Chula, Mo.
Date: October 2, 1906.
Education:
  Wayne State Teachers, 1929, B.A.
  University of Oklahoma, 1939, M.A.
  University of Nebraska and George Washington University, graduate study.
Experience:
  Present: Director, division of school assistance in federally affected areas.
  1958-68. Chief, School Construction Branch, Division of School Assistance, Office of Education.
  1952-58: Program operations adviser, Division of School Assistance, Office of Education.
  1946-52: Chief, Veterans On-Job Training Unit, Veterans' Administration, Lincoln, Nebr.
  1945-46: Director, Veterans Education. Nebraska State department of education, Lincoln, Nebr.
  1943-45: U.S. Navy.
  1942-43: High school principal, Nebraska City, Nebr.
  1935-42: High school principal, Tekamah, Nebr.
  1929-35: High school principal and coach, Winside, Nebr.
Association memberships: Phi Delta Kappa (fraternal society for men in education).

Mr. FLOOD. You have a prepared statement on this. What do you want to do with that?

Mr. WHEELER. I would like to begin by reading it and then answer any questions you may have.

Mr. FLOOD. All right.

### OPENING STATEMENT

Mr. WHEELER. Mr. Chairman and members of the committee, I welcome this opportunity to appear before you on the school assistance in federally affected areas appropriation, involving Public Law 874, maintenance and operations and Public Law 815, construction. We are requesting $340,300,000 to be appropriated in 1975, a decrease of $253,116,000 from the 1974 appropriation level of $593,416,000.

### MAINTENANCE AND OPERATIONS

An amount of $320,300,000 is requested for maintenance and operations, a decrease of $254,116,000 from the 1974 level of operations.

This amount would provide $43,000,000 to fund entitlements under section 6 in full. Entitlements under section 6 provide the full cost of educating children who reside on Federal property in States where due to State law or for other reasons, local school districts are unable to provide suitable free public education for such children. Funds in the amount of $229,300,000 are being requested for all section 3(a) children, those who reside on Federal property with a parent either employed on Federal property or in the uniformed services. Special language is being requested to distribute these funds in the same manner that they have been distributed for the past several years, that is, 100 percent of entitlement for 3(a) children in school districts where they comprise one quarter or more of all children in the district and 90 percent for all other 3(a) children. No funds are being requested for the 3(b) children since the 3(b) children either reside on non-Federal land or have parents who are employed on non-Federal land, and there is a local tax base to help offset the costs of the education of their children. To cushion the impact of the withdrawal of Federal support for the 3(b) children, special language is requested in this appropriation to provide for special hardship payments. Under this hardship provision, some $40,000,000 is earmarked so that no local school district would suffer a loss of more than 5 percent below 1974 in its total operating budget as a result of the termination of 3(b) support.

### ASSISTANCE FOR CONSTRUCTION

Twenty million dollars is being requested to provide financial assistance to local school districts for the construction of school facilities in areas where enrollments are increased by Federal activities, an increase of $1 million over the 1974 level.

Approximately $8,500,000 will be used for section 5. Funds will be targeted toward relieving the impact caused by military installations in overcrowding the school facilities in local educational agencies.

About 53 percent of the funds or $10,500,000 will be used under section 14 to aid school construction for children residing on Indian land.

An estimated 31 projects funded under these two sections will provide new school facilities for approximately 8,000 pupils in 285 classrooms and related school facilities.

In addition $1 million is requested under section 10 for emergency repair at some 200 existing school facilities located on approximately 80 military installations, in order to protect the capital investment the Federal Government already has in these school facilities.

Thank you, Mr. Chairman. My associates and I will be happy to answer any questions you may have.

### AUTHORIZING LEGISLATION

Mr. Flood. You are requesting $340,300,000 for impact aid. How much or what parts of this request are not authorized at the present time?

Dr. Ottina. Section A is a permanent authorization. Section B as I understand it, expires. So it is not authorized.

Mr. Flood. What recommendations have you made concerning the extension of the authorization legislation?

Dr. Ottina. As you know, Mr. Chairman, the administration has opposed the extension of section B. H.R. 69, however, proposes to extend the existing act as we now have it for an additional 3 years.

Mr. Flood. Based on the recent action taken by the House on the authorization legislation, H.R. 69, do you think that the reform of impact aid is an impossible dream?

Dr. Ottina. A very difficult dream, if not impossible, Mr. Chairman. I am sure that you recognize there has been a great real of effort, as I understand, for about 20 years now to reform impact aid. We had great hopes that in H.R. 69 an opportunity would be afforded to reform impact aid to a greater degree than has been.

The subcommittee recommended to the House, as you may recall, a single-year extension. I understood that part of their motivation in recommending only a single-year extension was to separate it from the rest of elementary and secondary education to allow it to be more thoroughly studied for the purpose of reform. That, from our point of view, unfortunately did not happen. So I think we have a long, difficult task still before us on impact aid.

### NO REQUEST FOR CATEGORY B

Mr. Flood. If the existing law on impact aid for the category B children is extended for fiscal year 1975, will you recommend a revised budget request to fund category B?

Dr. Ottina. No, sir. Our budget request was predicated on the belief there would be an extension for at least 1 year of category B, and our budget reflects our position on funding this particular category.

Mr. Miller. I would say this, Mr. Chairman, on the previous point: Category B isn't quite as unyielding, I think, as people seem to discuss these days. I remember, and I am sure you remember, 2 or 3 years ago you couldn't fund it at less than 90 percent, and you had to generally fund B at the same level as A. I think the Congress and we at least are moving to recognize that it is not as high priority today. You are funding A at a higher priority than B.

Mr. Flood. That was standard operating procedure then, 90 percent.

Mr. Miller. It sure was.

### SECTION 2 FUNDING

Mr. Flood. Your budget includes $7 million to pay full entitlement for section 2 of impact aid. How do school districts qualify for section 2 funds and why are you proposing full entitlement for this in your budget?

Mr. Wheeler. Mr. Cherry is here, the director of that division, and he has had many years of experience.

Mr. Cherry. Section 2 involves a few school districts in the United States that are heavily burdened by Federal activity. The eligibility requirements are extremely high. At least 10 percent of the total school district property must be Federal property acquired since 1938; the school district must be in financial hardship in order to qualify. We feel that, because it involves a few very heavily impacted districts, what we call the minor section, section 2, should be funded at 100 percent.

### DISASTER ASSISTANCE

Mr. Flood. Here is a problem that is certainly very timely. In fiscal year 1973 you used $68 million of the impact aid appropriations for disaster assistance in local school districts. Of course, I know you can't forecast any natural disasters, but can you tell us how much disaster aid has been provided thus far in fiscal 1974?

Mr. Wheeler. Mr. Chairman, there were 27 disasters. There is about $2 million up until this point. Obviously because of the tornadoes that struck about six States there will be more.

Mr. Flood. I was going to ask, when the disaster occurs, such as the recent tornadoes in Kentucky and other States, or Hurricane Agnes in Pennsylvania, do you automatically make these funds available to the local school districts that are destroyed or damaged?

I saw a picture in the paper last night of a high school destroyed completely by a forest fire. It wasn't in the recent tornado disaster, but the same type of thing. What about these disasters?

Mr. Wheeler. We always try to make as quick a response as we can, and we make payments according to certain conditions.

Mr. Cherry. We are triggered by the declaration of a disaster by the President. Only if he declares a Presidential disaster does our law go into effect. He has declared a disaster for six States because of the tornadoes.

Mr. Flood. Do you act if the Governor declares a disaster area without the Presidential declaration?

Mr. Cherry. We do not. It has to be a Presidential declaration.

Dr. Ottina. Mr. Chairman, you might be interested in noting we do have already in the six States a team surveying the extent of disaster and working with the local school districts, much as you pointed out earlier within the State of Pennsylvania. They will quickly forward to us estimates of the extent of damage.

Mr. FLOOD. My reference to Pennsylvania meant 1972 in the Hurricane Agnes problem.

Dr. OTTINA. Yes.

Mr. FLOOD. Is this disaster aid available to schools that do not receive impact aid?

Mr. WHEELER. Yes, sir.

Mr. FLOOD. What about the nonpublic schools? Do they receive disaster aid too?

Mr. WHEELER. There are certain conditions attendant upon our furnishing aid to nonpublic schools. Where the disaster area requires sizeable transfer of children served by that nonpublic school to a public school we can make payments to that public school to defray the additional costs involved.

Dr. OTTINA. Once again, Mr. Chairman, the law treats postsecondary institutions differently, as you are aware, and we are able to provide aid to postsecondary institutions, public or private.

### CATEGORY B "HARDSHIP PROVISION"

Mr. FLOOD. You are requesting $40 million and also appropriation language for what you refer to as a "hardship provision." Once again, does the basic law authorize the payment of funds under a hardship provision?

Mr. CHERRY. No; it does not, Mr. Chairman. This would be a request by line item authorization.

Mr. FLOOD. You want $40 million and you want appropriation language for what you call a hardship provision and yet the law, you tell me, does not authorize payment of funds for hardship provisions. How do you put those two things together?

Mr. CHERRY. This would be a 1-year proposal to ease the nonfunding for the "B" category of pupils. It would insure that no school district, because of a reduction in Public Law 874 payments from 1974 to 1975, would lose more in Public Law 874 payments than that represented by 5 percent of their 1974 total budget.

Mr. FLOOD. You want language in an appropriation bill.

Dr. OTTINA. Mr. Chairman, the law does authorize payment for B type students, and what we are suggesting is point of order language to enable us to fund those B students according to this criteria.

Mr. FLOOD. By using a hardship provision?

Dr. OTTINA. Essentially, yes.

Mr. FLOOD. Can you provide us with a State distribution of the $40 million?

Mr. CHERRY. We can give you it approximately. It is very difficult at this time to precisely sort out the school districts. We know some. The reason that it is difficult to pinpoint the exact district at this time and the precise amount is because we don't have firm data for 1974 yet. We have firm data for 1973.

Mr. FLOOD. Now you see what you make me ask you. This is the Appropriations Committee. In other words, you don't know what you are talking about, but you have no trouble coming up with $40 million. You don't know the facts and figures and you are just guessing, yet you didn't have trouble coming up with a nice, round $40 million. How come? Where did you get the $40 million; off the left field wall or what?

Mr. CHERRY. Mr. Chairman, what we have now are estimates. We can provide data to you. What we are saying is that we have to apply the national average increases through the next year to all school districts because until we get applications for next year we don't know the precise increase or decrease in Federal children in each school district. So our estimates are that there will be an approximate number nationally of Federal impacted pupils next year. We have applied the estimated national average decrease across the board to each of the 4,600 school districts.

Mr. FLOOD. Down in the lower right-hand corner it is $40 million.

Mr. CHERRY. Yes.

### PUBLIC HOUSING PROVISION

Mr. FLOOD. Now the public housing provision of impact aid. That has been authorized since fiscal year 1970 and you have never requested a dime for it. Briefly, why are you opposed to funding this provision? You had better take your time on that explanation and make it pretty good. If you have about 17 reasons, use them all to show us why you have not proposed any funding. You can supply the 17 reasons for the record. Right now what about that?

Mr. WHEELER. There was a study performed by the Battelle Memorial Institute in 1969 which included the study of low-rent housing. Their report concluded that low-rent housing pupils should not be included in the impacted areas program for several reasons:

1. Low-rent housing pupils do not constitute an "impact" on the local areas because of construction of low-rent housing. For the most part such pupils already were residing in the local area.

2. Any impact aid money paid to a school district because of low-rent housing pupils does not benefit such pupils directly because the impact funds are inherently not earmarked for specific purposes. Because there is no earmarking, there is no guarantee that funds provided on the basis of the low-rent housing pupils would, in fact, be used to benefit those same pupils.

3. Low-rent housing units are widespread geographically. Such units are found in many rural communities in the South and in a number of smaller northern communities that by no stretch of the imagination share the basic problems of the Nation's large cities. If the intent is to aid the large cities, then a substantial percentage of impacted area payments for low-rent housing pupils will miss the intended target.

Mr. FLOOD. Nothing has changed since the law became law?

Mr. WHEELER. I think that those conditions still pretty much prevail.

Mr. FLOOD. You remember the debates in the House on this, especially. It passed the Congress and was signed by the President in 1970, and here we are with the 1975 budget and no funding of any kind. Does it strike you as standing out a little bit? Wouldn't you notice that yourself if you happened to be sitting up here?

Mr. WHEELER. I think it would be hard to miss, Mr. Chairman. We think that the justification for our position is a sound one.

Mr. MILLER. Every administration's opposition to that provision I think has always been very clear, Mr. Chairman, and thank heaven the House has been active in preventing that from getting funded and has always agreed with us. I hope you do too.

### EFFECT OF CONTINUING EXISTING PROGRAM

Mr. FLOOD. In the event the committee should decide to continue impact aid in the same way it is now funded, what would you require for fiscal year 1975?

Dr. OTTINA. Mr. Chairman, are you asking for the record for us to supply a dollar amount at the given percentage of compensation?

Mr. FLOOD. That is a good idea. It is the figures we want.

Take a look at pages 430 and 431 of last year's hearing. What we want you to do is add a column there for fiscal 1975 showing the funds on the same basis as 1974.

[The information follows:]

## Maintenance and Operations

| P.L. 81-874 Section | Basis of Eligibility | 1973 Entitlement | 1973 Appropriation | 1974 Entitlement | 1974 Appropriation | 1975 Entitlement | 1975 Budget Request | 1975 [redacted] Proposal* |
|---|---|---|---|---|---|---|---|---|
| Section 2 | School districts having partial loss of tax base by removal of real property from tax rolls through Federal acquisition. | 8,000,000 | 8,000,000 | 9,000,000 | 9,000,000 | 7,000,000 1/ | 7,000,000 | 7,000,000 |
| Section 3(a)-ADA)<br>-Rate)<br>-Entitlement) | Children of parents who work on and reside on Federal property. | 374,360<br>$545<br>$204,000,000 | $194,500,000 | 374,000<br>$600<br>$224,500,000 | $214,100,000 | 370,000<br>$650<br>$240,500,000 | $229,300,000 | 229,300,000 |
| Section 3(b)-ADA)<br>-Rate)<br>-Entitlement) | Children of parents who either work on or reside on Federal property. | 1,866,075<br>$255<br>$476,000,000 | $323,680,000 | 1,750,000<br>$260<br>$404,300,000 | $305,115,000 | 1,650,000<br>$305<br>$503,000,000 2/ | --- | 342,040,000 |
| Section 3(e) | School districts eligible to receive amount to which they would have been entitled before reduction of Federally-connected children by cessation or decrease of Federal activity. | 2,000,000 | 2,000,000 | 3,200,000 | 3,200,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| Section 3(c)(4) | Provides special deficit rate of payment when 50% or more of children reside on Federal property. | 350,000 | 350,000 | 350,000 | 350,000 | 300,000 | 300,000 | 300,000 |
| Deductions 3(c)(2)(B) | Deduction when eligibility requirement not met in second fiscal year of two-year period. | -1,000,000 | -685,000 | -1,000,000 | -1,000,000 | -1,000,000 | -1,000,000 | -1,000,000 |
| Net Section 3 Entitlement | | $681,350,000 | $519,845,000 | $711,350,000 | $521,766,000 | $744,400,000 | $230,200,000 | $ 572,240,000 |

| P.L. 81-874 Section | Basis of Eligibility | 1973 Entitlement | 1973 Appropriation | 1974 Entitlement | 1974 Appropriation | 1975 Entitlement | 1975 Budget Request | 1975 Proposal* |
|---|---|---|---|---|---|---|---|---|
| Section 4 1st year | Sudden and substantial increase of children resulting from Federal activities carried on directly or through a contractor | 150,000 | 150,000 | 150,000 | 150,000 | 100,000 1/ | 100,000 | 100,000 |
| Section 6 | Arrangements with Federal agencies for educating certain children residing on Federal property. | 39,450,000 | 39,450,000 | 41,450,000 | 41,450,000 | 42,950,000 | 42,950,000 | 42,950,000 |
| Section 302 | Transfer of funds to Federal agencies for service provided to local educational agencies | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Section 7 | Natural disasters | 68,000,000 | 68,000,000 | --- 3/ | 2,000,000 | --- 3/ | ---- | ---3/ |
| Low-Rent Housing | (Definition of Federal Property now includes low-rent housing.) | 330,000,000 | ---- | 360,000,000 | ---- | 390,000,000 | ---- | --- |
|  | Hardship clause | ---- | ---- | ---- | ---- | ---- | 40,000,000 | -- |
|  | TOTALS | $1,127,000,000 | $635,495,000 | $1,122,000,000 | $574,416,000 | $1,184,500,000 | $320,300,000 | $622,340,000 |

1/ Authorization expires June 30, 1976; estimated entitlement assumes extension of existing legislation.
2/ Authorization expires June 30, 1974.
3/ Requirements cannot be estimated at this time.

*Section 3(a) at 90% and 100% if such children equal 25% or more of total children;
Section 3(b) at 68% and other Sections at 100%.

### SCHOOL CONSTRUCTION

Mr. **Flood.** On school construction for impact aid, you have the following appropriation language and I quote "Provided further, that with the exception of up to $1 million for repairs for facilities constructed under section 10."

Why do you need that language?

Mr. **Cherry.** Because the basic law, Public Law 815, specifies that when you get an appropriation you must fund section 10 in full before you can fund any other section. Therefore, we are asking for special appropriation language so that we may expend $1 million for emergency repairs and the remaining $19 million for other sections.

Mr. **Flood.** How many school districts will get these funds?

Mr. **Cherry.** The section 10 money?

Mr. **Flood.** Yes.

Mr. **Cherry.** No school districts. These are school buildings located on Federal property owned by the Federal Government and given on permit for use by public school districts.

Mr. **Flood.** Suppose you give us a couple of examples of how you use those funds.

Mr. **Cherry.** Those would be used strictly for emergency repair to keep a building from deteriorating.

For example, if a portion of a roof should blow off or spring a leak we would feel we would need to use the money in order to keep the building from deteriorating.

### REDUCTION IN MILITARY PERSONNEL

Mr. **Flood.** The President's 1975 defense budget shows a decline in military personnel from 3.5 million in 1968 to 2.2 million in fiscal year 1975. That is a fairly substantial decrease in military activity. Why can't you cut back the construction of schools that are on or near military installations?

Mr. **Cherry.** That is what we are proposing to do. We have a large backlog now, and the $20 million will take care of the most needed funding for school facilities in heavily impacted districts. It won't fund nearly all of the eligible applications.

### CONSTRUCTION BACKLOG

Mr. **Flood.** What is your present backlog of unfunded construction applications?

Mr. **Cherry.** Approximately $235 milllion.

Dr. **Ottina.** Mr. Chairman, I believe we have that broken down by section. We could provide it for the record.

Mr. **Flood.** All right.

[The information follows:]

### BACKLOG BY SECTION OF ELIGIBLE OR POTENTIALLY ELIGIBLE APPLICATIONS UNDER PUBLIC LAW 81–815

(As of June 30, 1974, excluding applications received April 26, 1974, and subsequently in fiscal year 1975)

| | Number of applications | Estimated entitlement |
|---|---|---|
| Sec. 5 | 370 | $111,785,020 |
| Secs. 5 and 8 | 4 | 2,435,400 |
| Secs. 5 and 9 | 1 | 61,560 |
| Subsec. 14(c) | 1 | 635,170 |
| Total | 376 | 114,917,150 |
| Subsecs. 14 (a) and (b)[1] | 50 | 39,607,624 |
| Sec. 10 | 79 | 80,236,409 |
| Total | 505 | 234,761,183 |

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[1] Represents only latest application, entitlement of prior eligible or potentially eligible applications considered in the latest application from the district.

Note: Sec. 16—None.

Mr. FLOOD. If a school district is found to be eligible for construction assistance but you don't have enough funds to approve their application, what do you do? Do you keep that application on file just indefinitely or what?

Mr. CHERRY. Yes, sir, they are kept on file because the way we read the law there is never any termination date for eligibility on that particular application.

Mr. FLOOD. On the backlog of unfunded applications, how long do you keep them on file? It is just indefinitely?

Mr. CHERRY. I would assume we would keep them on file as long as the law is in existence because there is no termination date. The oldest ones date to 1967.

Mr. FLOOD. Mr. Natcher.

Mr. NATCHER. Thank you, Mr. Chairman.

### TORNADO DAMAGE

I want to thank you for the statement you have made to the committee on school assistance to federally affected areas, and to say to you ladies and gentlemen quite frankly that it means more to Kentucky and my section of the State now than at any time since the program was enacted.

My good friend, my chairman, knows I have just returned from Kentucky and all of the major damage with the exception of some in Jefferson County was in my district. Schools wiped out, courthouses, city halls, 30 people killed, 14 or 15 missing. It has been a serious matter, this tornado.

I am very much concerned about the program now as I have been in the past, and I do want to thank you for your statement. I know my chairman has covered the program in its entirety, but it is more important now in our section than it has been in years. I want to convey that to you and to thank you for your appearance today.

Thank you, Mr. Chairman.

Mr. FLOOD. Mr. Smith.

Mr. SMITH. No questions.

Mr. FLOOD. Mr. Patten.

Mr. PATTEN. No questions.

### "HARDSHIP PROVISION"

Mr. SHRIVER. Mr. Wheeler, I am interested in how this "hardship provision" would work. You are requesting $40 million so that no local school district would suffer a loss of more than 5 percent below 1974 in its total operating budget as a result of the termination of 3(b) support. Do you have a list of school districts which would qualify under this provision? I know we have several school districts in Kansas which receive more than a million dollars under section 3(b). I want to know how they would be affected. Put that in the record.

[The information follows:]

The following factors are necessary to compute a "hardship amount" for a school district:

(1) The school district's share of the 1974 appropriation which provides for payment of section 3(a) at 90 percent of entitlement or at 100 percent if section 3(a) children equal 25 percent or more of total children, section 3(b) at 63 percent[1] of entitlement and other sections at 100 percent.

(2) The district's share of the 1975 appropriation (budget request) under which payments will be made for section 3(a) at 90 or 100 percent (same basis as 1974) nothing for section 3(b) and other sections at 100 percent.

(3) Five percent of the district's 1974 total current expenditures.

The formula to compute a "hardship amount" is as follows:

(1) minus (2) minus (3) equals hardship amount

in which national estimates must be applied to individual school district data for fiscal year 1973 in order to estimate fiscal year 1974 and fiscal year 1975 data. Nationally we expect another decrease in the total number of section 3(b) children in both 1974 and 1975. Exactly where these decreases will occur is unknown; therefore, the total decrease expected is applied to each school district. This distorts the data for an individual district that may in fact realize an increase in section 3(b) children. Similarly, this and other estimated factors distort the data necessary to compute a hardship amount.

### CATEGORY B

Mr. SHRIVER. Mr. Wheeler, how much would be needed to fund section 3(b) of Public Law 874 at the same level as in 1974? I believe that was 68 percent of entitlement.

Mr. WHEELER. It is estimated that the amount of $342,040,000 would fund section 3(b) at 68 percent of entitlement in 1975.

### EQUALIZATION

Mr. SHRIVER. Under H.R. 69, as now passed by the House, would you interpret the impact aid section in a way that the State of Kansas, with its equalization program of State aid to local school districts, could consider all of the Public Law 874 funds received by individual school districts as part of the local input for equalization purposes? There was some confusion about this when the bill was considered, but I believe the intent of the Education and Labor Committee was to allow Kansas and other States which have enacted equalization programs to consider the total amount of impact aid funds.

In our own State it would make no sense to do otherwise. If the State could only consider a certain percentage of the local school district's impact aid money, the district would receive more State aid on top of the impact aid funds. We have a limitation on the amount that any school district can increase its expenditures in any 1 year, so that the district involved would wind up with more funds than it could legally spend. In addition, with this excess of funds from State and Federal sources, they could lower their local tax levy or eliminate it altogether. This might sound attractive to these few districts, but it would not be fair to other districts or to the taxpayers of the State.

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[1] Although language contained in the 1974 appropriation permits the funding of section 3(b) at 68 percent of entitlement, other language reduced the amount of funds available for section 3(b) payments. Present estimates indicate that available funds will provide for section 3(b) payments at 63 percent of entitlement.

If you do not believe the House bill is adequate to protect States like Kansas in this regard, what would you suggest as language in the Senate bill?

Mr. **Wheeler.** Based on the language in the committee report (report No. 93–805, p. 42) it would appear that the proportion for deduction of impact aid funds could not exceed the ratio of State support under the provisions of H.R. 69. That varies from State to State and averages about 40 percent for the Nation. There was an attempt to clarify this provision by Congressman Meeds on the floor but such clarification was not accepted, and we must assume the committee report language still prevails. The actual language in H.R. 69 would not carry such a connotation in the absence of the report.

The current language in S. 1539 or the Senate committee report does not carry the House report ratio restrictions. It would therefore appear to allow a full deduction if the State has a support program adopted after June 30, 1972 which "equalizes" the financial resources" of local education agencies as related to the "needs" of their children. While the Senate language does meet your concerns, if Kansas qualifies as an acceptable equalization program, it does throw a heavy burden on the Commissioner to define "equalization," "State aid" and "needs." We would prefer the actual repeal of 5(d)(2) or the Dole amendment language currently being applied to be adopted by the Senate and the conference.

### SCHOOL CONSTRUCTION

Mr. **Shriver.** Mr. Wheeler, you are requesting $20 million for construction assistance, more than half of which is for impact caused by military installations and about one-half for school construction for children on Indian land. Can you tell us which school districts are scheduled for assistance in 1975?

I ask this because I was contacted last year by representatives from the school system at Powhatten, Kans. This school district is located in Brown County, Kans. More than one-third of the district's territory is the Kickapoo Indian Reservation. They are badly in need of some school construction assistance, and I would like to know what their chances are at this time.

Mr. **Wheeler.** Mr. Shriver, I can provide you with a list of Public Law 81–815 applications which may be funded in fiscal year 1975 under sections 5, and 14 (a) and (b), in accordance with information now at hand. First, as yet we do not know how many applications will be received for the next cutoff date for receipt of applications—April 26, 1974, nor subsequent dates which may be established in fiscal year 1975. Second, all applications listed, particularly under section 5, must be reaffirmed pursuant to section 15(7) of the act to assure that the impact of federally connected pupils which formed the basis of the eligibility of the application still exists within the school district.

With respect to the second part of your question, the application of Powhattan Unified School District No. 510, for school facilities to serve pupils residing on the Kickapoo Indian Reservation, has been funded. Funds were tentatively reserved December 6, 1973 and the project was finally approved March 6.

[The information follows:]

ORDER OF PRIORITY INDICES AND FUNDS NEEDED SECS. 5 AND 14(C)

[Reaffirmed per Sec. 15(7) of the act. Estimate April 1974]

| Project number | Applicant | Priority |  | Funds needed |  |
|---|---|---|---|---|---|
|  |  | Tentative | Firm | Tentative | Firm |
| TX-49A19 | Flour Bluff Independent School District |  | 26.0 |  | 348, 041 |
| TX-32A23 | Lampasses Independent School District | 25.4 |  | 204, 330 |  |
| TX-1502A21 | Crowley Independent School District | 24.2 |  | 103, 500 |  |
| NC-3001A23 | Currituck County Board of Education |  | 23.9 |  | [1] 215, 250 |
| WV-801A19 | Pendleton County Board of Education (W) |  | 23.8 |  | 36, 062 |
| SC-501A24 | Sumter County School District No. 2 (W) |  | 23.5 |  | 835, 354 |
| LA-602A23 | Vernon Parish (Pickering) |  | 23.0 |  | 183, 262 |
| IL-4A19 | O'Fallon Community Consolidated School District No. 90. |  | 22.8 |  | 148, 410 |
| S C-401A24 | Berkley County Board of Education (W) |  | 22.5 |  | 284, 088 |
| AZ-510A22 | Agua Fria Unified High School District [2] |  | 21.6 |  | 208, 041 |
| IL-1506A19 | Elementary School District No. 104, Manhattan. |  | 21.4 |  | 29, 835 |
| CO-12A19 | Harrison School District No. 2, Colorado Springs (Sec. 8). |  | 20.4 |  | 350, 520 |
| AZ-501A22 | Sierra Vista Community, South Dakota No. 68. |  | 19.6 |  | 217, 620 |
| TX-1801A20 | United Consolidated Independent School District, Laredo. |  | 19.4 |  | 185, 962 |
| CA-546A20 | Kern Joint Unified High School District Bakersfield (W). |  | 19.0 |  | 225, 556 |
| IL-1705A20 | Central Elementary Consolidated School District No. 103, O'Fallon. |  | 18.4 |  | 34, 615 |
| WI-1801A20 | Joint School District No. 1, Mauston |  | 18.4 |  | 188, 100 |
| NV-601A22 | Churchill County School District, Fallon |  | 18.0 |  | 355, 884 |
| NE-1801A20 | Shelton Public School District No. 19-41 |  | 17.4 |  | 25, 670 |
| NE-1A20 | School District of the city of Bellevue (Sec. 8). |  | 17.2 |  | 970, 000 |
| IL-601A19 | Mascoutah Community High School District No. 18. |  | 17.1 |  | 127, 908 |
| TX-61A18 | Del Valle Independent School District |  | 17.0 |  | 169, 344 |
| IN-1705A19 | North Central School Consolidated, Palmyra |  | 16.8 |  | 115, 045 |
| CA-702A20 | Central Unified Elementary School District, Lemoore. |  | 16.6 |  | 398, 468 |
| IL-602A20 | Rantoul Township High School District No 18. |  | 16.6 |  | 128, 075 |
| CA-58A21 | Unified School District, San Diego (Cabrillo Heights waiver). |  | 16.4 |  | 250, 971 |
| Wis-1001A21 | Joint School District No. 1, city of Bayfield. | 16.4 |  | 54, 571 |  |
| S. Car-501A21 | Sumter County School District No. 2 (W) | 16.1 |  | 1, 052, 766 |  |
| Ariz-501A18 | Sierra Vista Community School District No. 68. |  | 16.0 |  | 89, 380 |
| Ark 72 C 11 | Gosnell School District No. 6 |  | 15.8 |  | 238, 496 |
| R.I 2A19 | Town of North Kingstown School department. |  | 15.8 |  | 831, 733 |

ORDER OF PRIORITY INDICES AND FUNDS NEEDED, SUBSECS. 14(a) AND 14(b)

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| Ariz-74-C-517 | Indian Oasis Elementary School District | 91.2 |  | 5, 748, 749 |  |
| N. Mex-73-C-402 | Gallup-McKinley County Board of Education, West Navajo. |  | 85.8 |  | 910, 000 |
| Minn-69-C-403 | Independent School District No. 707, Nett Lake. |  | 78.9 |  | 89, 500 |
| Ariz-73-C-16 | Yuma School District No. 27, Parker |  | 70.4 |  | 1, 524, 624 |
| Wash-72-C-403 | Taholah School District No. 77 [1] (1971) |  | 67.9 |  | 773, 835 |

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[1] Request.

[2] Lastest application includes pupils eligible or potentially eligible for payment in prior unfunded applications.

Mr. SHRIVER. Mr. Wheeler, what is the status of the construction assistance at Fort Leavenworth, Kans.? It is not in my district, but I wonder if that need has been met.

Mr. WHEELER. Mr. Shriver, the Public Law 81–815 applications of the Fort Leavenworth School District No. 207, submitted for the 4-year increase periods ending June 30, 1970 and June 30, 1971 have been processed under the provisions of section 5 of the act. The 1970 application was processed eligible for assistance for an increase of 100 section 5(a)(1) pupils. The priority index of the application was determined to be 8.4 and the maximum entitlement was determined to be $135,850. The application remains unfunded. The 1971 application was determined to be ineligible for further assistance under the provisions of section 5 of Public Law 81–815. School officials were notified of the results of the processing. There has been no communication with the local education agency in recent months.

## SECTION 3(e) FUNDS

Mr. CONTE. For the record, will you list districts receiving aid under 3(e) (as a result of a sudden decrease in Federal activities) in 1974 and, if you can, those eligible for 3(e) aid in 1975?

[The information follows:]

### SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS—TITLE I, PUBLIC LAW 81–874

*Fiscal Year 1974, section 3(e) applications received as of April 23, 1974*

| *Application number and name of district* | *Current status of application* |
|---|---|
| Calif–74–E–43—China Lake Joint School District, China Lake, Calif. | Eligible. |
| Calif–74–E–505—Muroc Unified School District, North Edwards, Calif. | Do |
| Ga–74–E–22—City of Savannah Board of Public Education, Savannah, Ga. | Pending. |
| Ind–74–E–1704—Loogootee Community School Corporation, Loogootee, Ind. | Do. |
| Kans–74–E–1801—Unified School District No. 437, Topeka, Kans. | Eligible. |
| Miss–74–E–3—Biloxi Municipal Separte School District, Biloxi, Miss. | Do. |
| Mo–74–E–8—Waynesville Reorganized School District No. 8, Waynesville, Mo. | Do. |
| Mont–74–E–1704—Conrad High School District, Conrad, Mont. | Withdrawn. |
| Mont–74–E–1705—Conrad Elementary School District, Conrad, Mont. | Withdrawn. |
| Rhode Island–74–E–1—Newport School System, Newport, R.I. | Eligible. |
| Rhode Island–74–E–2—Town of Middletown School Committee, Middletown, R.I. | Do. |
| Rhode Island–74–E–5—Town of North Kingston School Department, North Kingstown, R.I. | Do. |
| Rhole Island–74–E–6—School Committee of the Town of Portsmouth, Porstmouth, R.I. | Do. |
| Rhode Island–74–E–8—Coventry School Department, Coventry, R.I. | Do. |
| Rhode Island–74–E–806—South Kingstown School Department, Wakefield, R.I. | Pending. |
| Tex–74–E–18—Fort Worth Independent School District, Fort Worth, Tex. | Ineligible. |
| Tex–74–E–1408—United Consolidated Independent School District, Laredo, Tex. | Eligible. |
| Tex–74–E–2303—Bowie Independent School District, Bowie, Tex. | Ineligible. |
| Wis–74–E–524—Joint School District No. 9, City of Elroy, Elroy, Wis. | Pending. |

### SECTION 6 PROJECTS

Mr. CONTE. How many section 6 projects are there? How many have been terminated in the last 3 years? Are any negotiations underway for 1975 terminations?

Mr. WHEELER. There are 24 section 6 projects in operation in fiscal year 1974. Six projects have been terminated since 1971. There is a continuing effort by the Office of Education to reduce the number of section 6 schools. However, none of the present 24 projects appears likely to be terminated in fiscal year 1975; two seem promising for termination at the end of fiscal year 1976.

### "HARDSHIP PROVISION"

Mr. CONTE. Do you have an estimate of the number of districts that will need 3(b) hardship aid under your proposal?

Mr. WHEELER. Rough estimates indicate that from 295 to 360 school districts may qualify for a hardship amount.

### CHANGE IN SEC. 3(A)

Mr. CONTE. Have you calculated the increased funds needed to cover the H.R. 69 provision counting as 3(a) children those, mainly Indian, children who live on Federal property but whose parents work off that property? Will that provision cover any sizeable group other than Indian children living on reservations?

Mr. WHEELER. This provision adds $3,900,000 to 3(a) requirements (full entitlement) and reduces 3(b) requirements (full entitlement) by $1,830,000 for an increase of $2,070,000. Practically all in this group are children living on Indian lands whose parents are employed elsewhere.

### SCHOOL CONSTRUCTION

Mr. CONTE. Construction plans in 1975 call for 285 classrooms and related school facilities. How many separate construction projects are involved? In what States?

Mr. WHEEER. Funds are anticipated to initiate approximately 31 projects and provide funds for four projects previously initiated. These projects are anticipated to be in Alabama, Arizona, California, Florida, Illinois, Indiana, Louisiana, Minnesota, New Jersey, New Mexico, North Carolina, North Dakota, South Carolina, Texas, Virginia, Washington, West Virginia, and Wisconsin.

Mr. CONTE. Does the $1 million requested under section 10 include any renovation?

Mr. WHEEER. Only if renovations are required to accomplish the emergency repairs which may be needed. If funds are not required for this purpose under section 10, they will be redistributed to sections 5 and 14.

### EFFECT OF VOLUNTEER ARMY

Mr. CONTE. Is the switchover to an all-volunteer Army having any effect on impact aid programs? Do you foresee any effect?

Mr. WHEELER. The switchover to an all-volunteer Army has had and we believe will have an effect on the impact aid programs. It has had a significant impact to date on the Public Law 81-815 program and will continue to have such effect. The effect on title I, Public Law 81-874 has been less drastic or measurable and its future effect more conjectural.

The switchover to an all-voluntary Army has resulted in a realinement of armed forces assigned to various defense installations. This has had serious implications for Public Law 81-815. To accommodate an all-voluntary force and their dependents, approximately 35,000 new family housing units have been authorized for construction in the past 4 years. The number of units authorized per year range from 21 to 1,000 units per installation, or an average of roughly 500 homes per installation. The addition, for example, of 500 to 750 school-age children on a military installation may have a significant impact upon the school system serving the installation.

At this point in time the effect of the creation of new housing areas on the number of classrooms required cannot be assessed, except on a case-by-case basis since there are too many variables. In some instances, the housing units have to accommodate personnel moved from other bases, or they accommodate personnel currently residing in the area in private homes, or they may accommodate personnel presently in dilapidated quarters. The number of bedrooms in such units have also affected the number of school-age children moving into the new quarters.

The mission of the base also is a factor in the number and type of school-age children.

For these reasons it appears that the all-voluntary Army forces may have a significant effect upon the school construction portion (particularly sections 5 and 10 of Public Law 81-815) of the impact aid program.

What will be the final effect on the total number of section 3(a) pupils residing on Federal property because of an all-voluntary Army for title I of Public Law 81-874 is conjectural. However, the Armed Forces are providing better housing for its all-volunteer forces but is providing these at different bases than formerly. It appears that the Armed Forces plans to provide onbase adequate housing for its all-volunteer forces. It would appear that the number of section 3(a) pupils would either increase or gradually decline but that the number of uniformed services "b's" would materially decrease. However, it is our understanding that armed forces at many bases are contracting out services that were either formerly performed by uniformed services personnel as civilian military personnel. However, since many of these services will continue to be performed on Federal property if the section 3(b) working-on category is continued, the children of these personnel would be eligible "working-on" section 3(b) pupils. Thus, the section 3(b) working-on category, if retained, reduction is conjectural.

Mr. Flood. Thank you.

# JUSTIFICATION OF THE BUDGET ESTIMATES

## OFFICE OF EDUCATION

## School Assistance in Federally Affected Areas

### Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $610,000,000 | $340,300,000 |
| Amount withheld (PL93-192) | -16,584,000 | --- |
| subtotal, adjusted appropriation | 593,416,000 | 340,300,000 |
| Unobligated balance, start of year | 13,086,094 | --- |
| Unobligated balance, end of year | --- | --- |
| Total, obligations | 606,502,094 | 340,300,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $593,416,000 |
| 1975 Estimated obligations | 340,300,000 |
| Net change | - 253,116,000 |

| | Base | Change from Base |
|---|---|---|
| **Increases:** | | |
| Program | | |
| 1. Payments for "a" children | $214,100,000 | $ +15,200,000 |
| 2. Payments to other Federal agencies | 41,500,000 | +1,500,000 |
| 3. Construction | 19,000,000 | +1,000,000 |
| Total, increases | | +17,700,000 |
| **Decreases:** | | |
| Program | | |
| 1. Payments for "b" children | 305,116,000 | -265,116,000 |
| 2. Special provisions | 13,700,000 | - 5,700,000 |
| Total decreases | | -270,816,000 |
| Total, net change | | -253,116,000 |

## Explanation of Changes

Increases:

1. Payments for "a" children - An increase of $15,200,000 is requested to fund local school districts for their 3"a" children at 100 percent entitlement if those children constitute 25 percent or more of the total enrollment and at 90 percent of entitlement if they are a smaller proportion of total enrollment. This is the same percentage level of funding as in 1974 but a higher dollar amount.

2. Payments to other Federal agencies - An increase of $1,500,000 is sought to fund those children who attend school on Federal property at full entitlement as called for in the basic law.

3. Construction - This increase of $1,000,000 and special appropriation language is proposed to provide additional funds for construction of classrooms in local school districts serving large numbers of Indian children.

Decreases:

1. Payments for "b" children - A decrease of $265,116,000 and special appropriation language is requested to terminate the regular section 3"b" payments. To cushion the impact of the withdrawal of this support, a special hardship provision has been included in the budget. This provision insures that no local school district would suffer a loss of more than 5 percent in tis total operating budget solely as a result of terminating the 3"b" payments.

2. Special provisions - A decrease of $5,700,000 is proposed for the special provisions in anticipation that entitlements under these provisions will be lower in 1975 than they were in 1974.

Obligation by Activity

| Page Ref. | | 1974 Base* | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 78 | Maintenance and Operations | | | |
| | (a) Payments for "a" children.............. | $214,100,000 | $229,300,000 | $+15,200,000[A] |
| | (b) Payments for "b" children............. | 305,116,000 | 40,000,000 | -265,116,000[B] |
| | (c) Special provisions..... | 13,700,000 | 8,000,000 | -5,700,000[C] |
| | (d) Payments to other Federal agencies..... | 41,500,000 | 43,000,000 | +1,500,000[D] |
| 82 | Construction............... | 19,000,000<br>(32,086,094) | 20,000,000 | +1,000,000[E] |
| | Total obligations (base).... | 593,416,000 | 340,300,000 | -253,116,000 |
| | Total obligations........... | (606,502,094) | | |

Explanation of Changes

A. An increase of $15,200,000 is requested to pay local school districts for 3"a" children at the same proportionate level as in 1973 and 1974 but against a higher authorization.

B. A decrease of $265,116,000 and special appropriation language is sought in order to terminate the regular payments for 3"b" children to all eligible school districts and to soften the impact of this termination through inclusion of a hardship provision. This hardship provision and the funds requested would insure that no local school district would suffer a loss greater that 5% of their 1974 operating budget solely as a result of the termination of 3"b" payments.

C. A decrease of $5,700,000 is proposed since our estimates at this time for the special provisions are lower than in 1974.

D. An increase of $1,500,000 is requested to meet the increased entitlement of certain children living on Federal land.

E. An increase of $1,000,000 is requested to provide increased support for construction in those school districts serving large numbers of Indian children.

* 1974 Base - Excludes 1973 appropriation restorations. Total obligations shown in parentheses.

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Lands and structures.......... | $ 2,900,094 | $ --- | $ -2,900,094 |
| Grants, subsidies, and contributions..................... | 603,602,000 | 340,300,000 | -263,302,000 |
| Total obligations by object | 606,502,094 | 340,300,000 | -266,202,094 |
| Total obligations excluding 1973 appropriation restorations............ | 593,416,000 | | |

## Authorizing Legislation

| Legislation | 1975 |  |
|---|---|---|
|  | Authorized | Appropriation requested |
| School Assistance in Federally Affected Areas Public Law 874 Maintenance and Operation: |  |  |
| Section 2 | $ 7,000,000[1] | $ 7,000,000 |
| Section 3 | 744,400,000[2] | 230,200,000 |
| Section 4 | 100,000[1] | 100,000 |
| Section 6 | 43,000,000 | 43,000,000 |
| Section 7 | [3] | --- |
| Public Law 815 Construction:[4] |  |  |
| Section 5 | 37,000,000[5] | 8,500,000 |
| Section 8 | 2,000,000 | --- |
| Section 9 | 1,000,000 | --- |
| Section 10 | 15,000,000 | 1,000,000 |
| Section 14 | 15,000,000 | 10,500,000 |
| Section 16 | [3] |  |

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[1] Authorization expires June 30, 1974; entitlement assumes extension of existing legislation.

[2] Does not include low-rent housing which is estimated at $390,000,000 for FY 1975. Also, the authorization for Section 3(b) expires June 30, 1974.

[3] Requirements are unpredictable. They are payable out of regular appropriations, subject to replacement by supplemental appropriations as needed.

[4] Excludes unfunded backlog of eligible or potentially eligible applications which is estimated at $308,818,619 as of 6/30/74.

[5] Authorization for Section 5(a)(2) and 5(a)(3) expires June 30, 1974; entitlement assumes extension of existing legislation.

## School Assistance in Federally Affected Areas

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $417,030,000 | $389,580,000 | $389,580,000 | $389,580,000 |
| 1966 | 396,370,000 | 437,370,000 | 437,370,000 | 437,370,000 |
| 1967 | 205,717,000 | 468,517,000 | 507,348,000 | 468,517,000 |
| 1968 | 438,517,000 | 529,482,000 | 563,282,000 | 529,482,000 |
| 1969 | 409,697,000 | 520,207,000 | 520,207,000 | 520,207,000 |
| 1970 | 201,107,000 | 519,907,000 | 599,107,000 | 519,507,000 |
| 1971 | 425,000,000 | 438,900,000 | 672,300,000 | 549,968,000 |
| 1972 | 439,300,000 | 606,880,000 | 676,880,000 | 611,880,000 |
| 1973 | 430,910,000 | 641,405,000 | 681,405,000 | 671,405,000 |
| 1974 | 292,500,000 | 610,000,000 | 633,000,000 | 610,000,000 1/ |
| 1975 | 340,300,000 | | | |

NOTE: In order to reflect comparability with the 1973 estimate this table excludes all funds for technical services under P.L. 815.

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1/ The Congress appropriated this amount but allowed the President to withdraw 5%. The reduced amount of $593,416,000 represents the amount the President proposed to allocate.

## Justification

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| School assistance in Federally affected areas: | | | |
| (a) Maintenance and operations: | | | |
| (1) Payments for "A" children.. | $214,100,000 | $229,300,000 | $ +15,200,000 |
| (2) Payments for "B" children.. | 305,116,000 | 40,000,000 | -265,116,000 |
| (3) Special provisions......... | 13,700,000 | 8,000,000 | -5,700,000 |
| (4) Payments to other Federal agencies.................. | 41,500,000 | 43,000,000 | +1,500,000 |
| Subtotal........ | 574,416,000 | 320,300,000 | -254,116,000 |
| (b) Construction.................. | 19,000,000 | 20,000,000 | +1,000,000 |
| Total........... | 593,416,000 | 340,300,000 | -253,116,000 |

## General Statement

Title I of Public Law 81-874 and Public Law 81-815 constitute what has become popularly known as the impact aid program. Both laws provide funds to local school districts in which enrollments are affected by Federal activities, P.L. 874 for maintenance and operation assistance and P.L. 815 for construction assistance. Most of the funds are provided on the basis of children claimed by local educational agencies in connection with Federal properties as either residing on or having a parent in one of the Uniformed Services. Substantial amounts of funds are provided to school districts educating Indian children because Indian lands are eligible Federal property under both laws.

Public Laws 81-874 and 81-815 authorize Federal payments directly to the eligible local education agencies. Applications for assistance under both laws are submitted to the Commissioner of Education through the State education agencies, which certify that the data contained therein are accurate insofar as records in State offices are concerned.

Each chief State school officer has designated one or more State representatives for the school assistance program to work with the local education agencies and with the field program officers of the Office of Education in the administration of the program and in the development of applications for aid. Representatives of the Office are available to assist State education agencies and through them local education agencies. They advise applicant districts on the maintenance of records with respect to the specific pupil and financial data required to support their claims.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Maintenance and Operations.......... | $574,416,000 | $320,300,000 | $-254,116,000 |

Narrative

Program Purpose

Title I of Public Law 81-874 authorizes financial assistance for the maintenance and operation of local school districts in which enrollments are affected by Federal activities. Payments are made to local school districts when revenues from local sources have been reduced as the result of the acquisition of real property by the United States (Section 2); for children who reside on Federal property, with a parent employed on Federal property, or have a parent on duty in a uniformed service (Section 3(a)); for children who either live on, or have a parent employed on Federal property or have a parent in the Uniformed Services (Section 3(b)); to increase rates of payment for certain Section 3(a) children (Section 3(c) (4)); to provide for unexpected decreases in Federal activities (Section 3(e)); and for substantial increases in attendance (Section 4). Under Section 6, the full cost of education is provided for children residing on Federal property when no State or local educational agency is able, because of State law or for other reasons, to provide suitable free public education. Assistance to schools in major disaster areas is provided under Section 7. Payments under Public Law 874 are deposited by local school districts into current operating expense accounts and thus are used, together with State, local and other funds so deposited, for general school purposes benefitting all students enrolled in applicant districts.

Plans for Fiscal Year 1975

Funds in the amount of $229,300,000 are being requested for all Section 3(a) children, those who reside on Federal property with a parent either employed on Federal property or in the Uniformed Services. This request recognizes the tax base loss to a school district for a Section 3(a) child. It also recognizes the needs of Indian pupils, most of whom will be funded under Section 3(a). Special language is being requested to distribute these funds in the same manner that they have been distributed for the past several years, that is, 100 percent for Section 3(a) children in districts where such children represent 25 percent or more of total children and 90 percent for all other Section 3(a) children.

The amount of $43,000,000 is requested to fund entitlements under Section 6. Entitlements under Section 6 provide the full cost of educating children who reside on Federal property in States where, due to state law or for other reasons, local school districts are unable to provide suitable free public education for such children. Schools operated under Section 6 cannot be terminated until the Commissioner of Education and the Secretary of the Federal department concerned jointly determine, after consultation with the appropriate State education agency, that a local education agency is able to provide suitable free public education for the children attending such schools. There is a continuing effort by the Office of Education to reduce the number of Section 6 schools. Such schools in Florida and Wake Island were terminated at the close of fiscal year 1973. In the case of Florida, negotiations were successfully conducted for the transfer of the Section 6 operation at Tyndall Air Force Base to the responsibility of the Bay County schools. The partial cost of educating these children will now be made under Section 3(a) instead of the former full cost under Section 6. The termination on Wake Island was due to the transfer of Air Force personnel which also caused a substantial reduction in Section 6 activities in Puerto Rico.

The amount of $8,000,000 is requested to fund the "minor sections" 2, 3(c)(4), 3(e) and 4, all of which provide assistance for a true Federal burden.

No funds are proposed for Section 3(b) children most of whose parents work on Federal property and live on private property paying local property taxes for the support of their schools. It is believed that this type of Federal activity does not really constitute an economic burden on local schools. The amount of $40,000,000 and special language is requested to provide funds on a hardship basis for those school districts which are most severely affected by the termination of funding for Section 3(b) children. This hardship provision would insure that no local school district would lose an amount greater than 5 percent of their 1974 operating budget solely as a result of terminating 3(b) funds in 1975. Any loss greater than 5 percent would be made up by this appropriation.

## Accomplishments for Fiscal Years 1973 and 1974

In fiscal year 1973, there were 4,565 eligible school district applicants under Section 2 and 3 requesting assistance for over 374,000 Section 3(a) children and almost 1.9 million Section 3(b) children. The school districts educating these 2.3 million Federal children also educate over half of the Nation's public elementary and secondary school children. Public Law 874 payments are deposited by local school districts into current operating expense accounts and thus are used for general school purposes benefitting all students enrolled in applicant districts. Funds in the amount of $525,995,000 and special language authorized payments of entitlements under Section 3(a) at 90 percent or at 100 percent if such children comprised 25 percent or more of total children, under Section 3(b) at 68 percent and under other sections at 100 percent. The amount of $41,500,000 provided the full cost of educating approximately 48,000 children under Section 6. The amount of $68 million was allocated for assistance to school districts in major disaster areas.

In fiscal year 1974, about 4,600 school districts will receive payments at 90 percent or 100 percent depending on the degree of impact for over 370,000 Section 3(a) children and not more than 68 percent for over 1,700,000 Section 3(b) children. Assistance under Section 2 will be provided to school districts where ten percent or more of their taxable property has been acquired by the Federal Government since 1938. Section 3(c)(4) will permit an increased rate of payment for some Section 3(a) children to insure a level of education equivalent to that maintained in generally comparable school districts affected by certain decreases in Federal activities, such as the base closings announced last year by the Deaprtment of Defense. Section 4 will assist school districts affected by substantial increases in attendance due to Federal activities; there have been few applicants under this section in recent years. The full cost of educating nearly 46,000 children will be provided under Section 6.

SUPPLEMENTAL FACT SHEET

Maintenance and Operations

| P.L. 81-874 Section | Basis of Eligibility | 1973 Entitlement | 1973 Appropriation | 1974 Entitlement | 1974 Appropriation | 1975 Entitlement | 1975 Budget Request |
|---|---|---|---|---|---|---|---|
| Section 2 | School districts having partial loss of tax base by removal of real property from tax rolls through Federal acquisition. | 8,000,000 | 8,000,000 | 9,000,000 | 9,000,000 | 7,000,000[1] | 7,000,000 |
| Section 3(a)-ADA)<br>-Rate)<br>-Entitlement) | Children of parents who work on and reside on Federal property. | 374,360<br>$545<br>$204,000,000 | $194,500,000 | 374,000<br>$600<br>$224,500,000 | $214,100,000 | 370,000<br>$650<br>$240,500,000 | $229,300,000 |
| Section 3(b)-ADA)<br>-Rate)<br>-Entitlement) | Children of parents who either work on or reside on Federal property. | 1,866,075<br>$255<br>$476,000,000 | $323,680,000 | 1,730,000<br>$280<br>$484,300,000 | $305,116,000 | 1,650,000<br>$305<br>$503,000,000[2] | --- |
| Section 3(e) | School districts eligible to receive amount to which they would have been entitled before reduction of Federally-connected children by cessation or decrease of Federal activity. | 2,000,000 | 2,000,000 | 3,200,000 | 3,200,000 | 1,600,000 | 1,600,000 |
| Section 3(c)(4) | Provides special deficit rate of payment when 50% or more of children reside on Federal property. | 350,000 | 350,000 | 350,000 | 350,000 | 300,000 | 300,000 |
| Deductions 3(c)(2)(B) | Deduction when eligibility requirement not met in second fiscal year of two-year period. | -1,000,000 | -685,000 | -1,000,000 | -1,000,000 | -1,000,000 | -1,000,000 |
| Net Section 3 Entitlement | | $681,350,000 | $519,845,000 | $711,350,000 | $521,766,000 | $744,400,000 | $230,200,000 |

## SUPPLEMENTAL FACT SHEET

### Maintenance and Operations (Continued)

| P.L. 81-874 Section | Basis of Eligibility | 1973 Entitlement | 1973 Appropriation | 1974 Entitlement | 1974 Appropriation | 1975 Entitlement | 1975 Budget Request |
|---|---|---|---|---|---|---|---|
| Section 4 1st year | Sudden and substantial increase of children resulting from Federal activities carried on directly or through a contractor | 150,000 | 150,000 | 150,000 | 150,000 | 100,000 1/ | 1[illegible],000 |
| Section 6 | Arrangements with Federal agencies for educating certain children residing on Federal property. | 39,450,000 | 39,450,000 | 41,450,000 | 41,450,000 | 42,950,000 | 42,950,000 |
| Section 302 | Transfer of funds to Federal agencies for service provided to local educational agencies | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Section 7 | Natural disasters | 68,000,000 | 68,000,000 | --- 3/ | 2,000,000 | --- 3/ | ---- |
| Low-Rent Housing | (Definition of Federal Property now includes low-rent housing.) | 330,000,000 | ---- | 360,000,000 | ---- | 390,000,000 | ---- |
| | Hardship clause | ---- | ---- | ---- | ---- | ---- | 40,000,000 |
| | TOTALS | $1,127,000,000 | $635,495,000 | $1,122,000,000 | $574,416,000 | $1,184,500,000 | $320,300,000 |

1/ Authorization expires June 30, 1974; estimated entitlement assumes extension of existing legislation.
2/ Authorization expires June 30, 1974.
3/ Requirements cannot be estimated at this time.

1/ Requirements cannot be estimated at this time.

| | 1974 Base* | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Construction | | | |
| New awards................. | $19,000,000 | $20,000,000 | $+1,000,000 |

## Narrative

### Program Purpose

Public Law 81-815 authorizes funds to provide urgently needed minimum school facilities to local educational agencies which meet the eligibility requirements specified by the Act. These school facilities are provided in accordance with the intent of the Congress as expressed in the basic provisions of Public Law 81-815. Funds are reserved for eligible applicants upon a determination of their eligibility therefore and at such time as their respective project application has been reached on the priority index list. Federal Regulations require that all eligible applicants be placed in rank order of relative priority, by sections of the Act, and funded in that order.

### Plans for Fiscal Year 1975

As in Fiscal Years 1973 and 1974, it is proposed that monies available in Fiscal Year 1975 will again be targeted toward relieving the impact caused by military installations in overcrowding the school facilities of local educational agencies and toward providing needed school facilities in local educational agencies serving children residing on Indian lands with the greater funding going to the latter. It is expected that about twenty-five (25) projects initiated by the former school districts and six (6) by the latter school districts will provide new school facilities for approximately 8,000 pupils in 285 classrooms and related school facilities (e.g. libraries, cafeterias, special education rooms for the handicapped, and the like). It is also expected that $1 million will be used for emergency repair to some 200 existing school facilities located on Federal property at approximately 80 military installations, in order to protect the capital investment the Federal Government already has in these school facilities.

### Accomplishments for Fiscal Year 1973 and 1974

Funds appropriated in Fiscal Year 1973, including $10,000,000 not available until 1974, permitted the funding of fifteen (15) new projects in local educational agencies impacted by military activity or serving children residing on Indian lands, and the initiation of two (2) projects and provision of additional funds to two (2) projects serving children residing on Indian lands which reached the stage of construction. In addition, funds were obligated for projects designed to replace or restore school facilities seriously damaged or destroyed by major disasters. These school facilities are expected to provide for approximately 11,400 pupils in 380 classrooms and related school facilities.

It is expected that funds available in Fiscal Year 1974 will be used to initiate five (5) and to assist in constructing five (5) projects initiated in prior years to serve children residing on Indian lands and ten (10) projects to relieve overcrowding in school districts impacted by increased military activities. These projects are expected to provide facilities for approximately 11,372 children in 406 classrooms and related school facilities.

*Excludes 1973 appropriation restoration.

SUPPLEMENTAL FACT SHEET

Construction

| P.L. 81-815 Section | Basis of Eligibility | 1973 Appropriation | 1974 Appropriation | Backlog Prior to 1975 | 1975 Entitlement | 1975 Budget Request |
|---|---|---|---|---|---|---|
| 5 | Children of parents who work on and/or reside on Federal property or who represent an increase in Federal activity either directly or through a contractor. | $20,345,000 | $ 9,500,000 | $163,072,836 | $37,000,000[1] | $ 8,500,000 |
| 8 | Provision of non-Federal share or construction imposes a financial hardship. | --- | --- | --- | $ 2,000,000 | --- |
| Total, Sections 5 and 8 | | $20,345,000 | $ 9,500,000 | $163,072,836 | $39,000,000 | $ 8,500,000 |
| 9 | Temporary increases of Federally-connected children for whom temporary school facilities are provided | | | | | |
| 10 | Federally constructed schools on Federal property | --- | --- | $ 1,000,000 | $ 1,000,000 | --- |
| 14 | Substantial number of children residing on Federal property (mostly tax--exempt Indian land) and lack of financial resources | --- | --- | $97,247,409 | $15,000,000 | $1,000,000 |
| 16 | Natural disasters[2] | $ 5,565,000 | $ 9,500,000 | $ 47,498,374 | $15,000,000 | $10,500,000 |
| Grand Totals | | $25,910,000[3] | $19,000,000 | $308,818,619 | $70,000,000 | $20,000,000 |

[1] Authorization for Sec. 5(a)(2) and 5(a)(3) expires June 30, 1974; estimated entitlement assumes extension of existing legislation.

[2] Requirements are unpredictable. They are payable out of regular appropriation, subject to replacement by supplemental appropriations as needed.

[3] Includes $10,000,000 appropriated in 1973 but released in 1974.

## OFFICE OF EDUCATION

## School Assistance in Federally Affected Areas

## Program Purpose and Accomplishment

Activity: Maintenance and Operation (P.L. 81-874)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $574,416,000 | $1,184,500,000 1/ | $320,300,000 |

1/ Authorization for Sections 2, 3(b), and 4 expires on June 30, 1974; the authorization assumes extension of existing legislation for Sections 2 and 4.

Purpose: Title I of P.L. 81-874 authorizes financial assistance for the maintenance and operation of local school districts in which enrollments are affected by Federal activities.

Explanation: Applications and documentation are submitted by local education agencies. This material is reviewed and verified by Office of Education personnel and awards made directly to the local education agencies. The Office of Education provides for the full cost of education of children residing on Federal property where no education agency is able to provide suitable free education to such children.

Accomplishments in 1974: Grants were made to provide support for some 2,000,000 pupils with greater proportionate support going to heavily impacted school districts.

Objectives for 1975: The estimate for 1975 will provide funding for Section 6, arrangements with Federal agencies for educating certain children residing on Federal property, funding for children of parents who work on and reside on Federal property ("a" category children) and the "minor" sections of the Act. Funding for Section 3(b) is proposed for termination and special language is requested to provide funds on a hardship basis for those school districts which are most severely affected by this termination, i.e., those who would suffer a loss greater than 5 percent of their operating budget as a result of terminating payments for 3(b) children.

OFFICE OF EDUCATION

School Assistance in Federally Affected Areas

Program Purpose and Accomplishments

Activity: Construction (P.L. 81-815)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $19,000,000 | $70,000,000[1/] | $20,000,000 |

[1/] Authorization for Section 5(a)(2) and 5(a)(3) expires June 30, 1974; the authorization level assumes extension of existing legislation.

Purpose: Grants are made to assist in construction of schools in local school districts where there are significant increases in pupils resulting from Federal activities.

Explanation: Applications and documentation are submitted by local education agencies. This material is reviewed and verified by Office of Education personnel and awards are made directly to the local education agencies.

Accomplishments in 1974: Grants were made to meet the most pressing construction needs of local education agencies which have applied under sections 5 and 14(a) and (b) of the Act. It is estimated that over 406 classrooms benefitting almost 11,400 students will be constructed.

Objectives for 1975: Grants in 1975 will provide greater assistance for Indian school construction as well as for school construction needs resulting from increased military activity. It is planned to construct 285 classrooms and related school facilities to serve almost 8,000 students.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

School Assistance in Federally Affected Areas
Maintenance and Operation-P.L. 874

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate 2/ |
|---|---|---|---|
| TOTAL | $635,495,000 | $574,416,000 | $320,300,000 |
| Alabama | 9,516,552 | 9,670,000 | 3,300,000 |
| Alaska | 30,051,998 | 27,725,000 | 30,054,000 |
| Arizona | 15,074,737 | 14,517,000 | 12,205,000 |
| Arkansas | 3,108,093 | 3,192,000 | 1,489,000 |
| California | 79,352,331 | 79,527,000 | 34,960,000 |
| Colorado | 12,951,665 | 12,710,000 | 3,496,000 |
| Connecticut | 4,058,690 | 4,081,000 | 2,093,000 |
| Delaware | 2,419,380 | 2,365,000 | 2,365,000 |
| Florida | 17,787,757 | 18,152,000 | 6,560,000 |
| Georgia | 15,903,022 | 16,594,000 | 7,401,000 |
| Hawaii | 12,017,874 | 12,047,000 | 8,494,000 |
| Idaho | 3,422,733 | 3,394,000 | 1,533,000 |
| Illinois | 12,931,826 | 13,798,000 | 5,150,000 |
| Indiana | 3,270,486 | 3,358,000 | 1,157,000 |
| Iowa | 1,926,690 | 1,996,000 | 93,000 |
| Kansas | 8,502,196 | 8,863,000 | 5,254,000 |
| Kentucky | 9,037,757 | 8,878,000 | 6,828,000 |
| Louisiana | 3,906,012 | 3,654,000 | 1,356,000 |
| Maine | 3,050,043 | 3,384,000 | 1,931,000 |
| Maryland | 29,283,898 | 28,279,000 | 5,462,000 |
| Massachusetts | 12,851,980 | 13,941,000 | 6,899,000 |
| Michigan | 5,909,039 | 6,212,000 | 4,125,000 |
| Minnesota | 3,524,341 | 3,293,000 | 1,555,000 |
| Mississippi | 3,382,621 | 3,127,000 | 1,453,000 |
| Missouri | 9,192,970 | 8,693,000 | 3,858,000 |
| Montana | 5,859,196 | 6,867,000 | 5,286,000 |
| Nebraska | 6,157,700 | 5,704,000 | 3,701,000 |
| Nevada | 3,317,392 | 3,776,000 | 2,034,000 |
| New Hampshire | 2,377,247 | 2,435,000 | 1,058,000 |
| New Jersey | 14,015,780 | 14,062,000 | 5,926,000 |
| New Mexico | 14,681,429 | 15,510,000 | 11,192,000 |
| New York | 48,377,257 | 17,954,000 | 8,511,000 |
| North Carolina | 16,603,258 | 16,397,000 | 12,335,000 |
| North Dakota | 4,775,374 | 6,326,000 | 5,005,000 |
| Ohio | 9,629,662 | 10,293,000 | 1,898,000 |
| Oklahoma | 11,288,301 | 11,637,000 | 4,851,000 |
| Oregon | 4,149,617 | 3,760,000 | 1,546,000 |
| Pennsylvania | 38,611,621 | 8,142,000 | 1,627,000 |
| Rhode Island | 4,520,217 | 4,682,000 | 3,095,000 |
| South Carolina | 9,863,825 | 10,393,000 | 5,835,000 |

| State or Outlying Area | 1973 Actual | 1974 Estimate [1/] | 1975 Estimate [2/] |
|---|---|---|---|
| South Dakota | $ 6,491,058 | $ 6,470,000 | $ 5,490,000 |
| Tennessee | 7,280,785 | 6,660,000 | 671,000 |
| Texas | 32,097,040 | 32,594,000 | 11,336,000 |
| Utah | 8,007,822 | 7,843,000 | 1,916,000 |
| Vermont | 159,165 | 114,000 | 4,000 |
| Virginia | 39,997,683 | 36,330,000 | 10,347,000 |
| Washington | 13,831,534 | 14,951,000 | 6,659,000 |
| West Virginia | 867,726 | 549,000 | 48,000 |
| Wisconsin | 2,096,321 | 1,984,000 | 783,000 |
| Wyoming | 2,727,832 | 2,743,000 | 1,758,000 |
| District of Columbia | 3,813,783 | 3,763,000 | 213,000 |
| American Samoa | --- | --- | --- |
| Guam | 2,518,000 | 2,871,000 | 1,854,000 |
| Puerto Rico | 8,455,835 | 8,051,000 | 6,250,000 |
| Trust Territory | --- | --- | --- |
| Virgin Islands | 133,558 | 105,000 | --- |
| Wake Island | 154,271 | --- | --- |
| Hardship Clause | --- | --- | 40,000,000 |

[1/] Estimated payments of entitlements under Section 3(a) at 90 percent or 100 percent based on the degree of impact, minor provisions and Section 6 and 100 percent. Includes amounts for Section 3(b) children of Uniformed Services personnel at 63 percent. Section 7 cannot be estimated but will be funded at 100 percent.

[2/] Estimated payments of entitlements under Section 3(a) at 90 percent or 100 percent based on the degree of impact, minor provisions and section 6 at 100 percent. There are no funds for Section 3(b) and we cannot estimate the distribution of the Hardship clause. Section 7 cannot be estimated but will be funded at 100 percent.

TUESDAY, APRIL 9, 1974.

## OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

### WITNESSES

**DR. WILLIAM F. PIERCE, DEPUTY COMMISSIONER FOR OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION**
**DR. JOHN OTTINA, COMMISSIONER OF EDUCATION**
**MRS. ORIEANNA C. SYPHAX, ACTING DIRECTOR, VOCATIONAL AND TECHNICAL EDUCATION**
**DR. JOHN LINDIA, SPECIAL ASSISTANT, OFFICE OF CAREER EDUCATION**
**GERALD ELBERS, ACTING DIRECTOR, DIVISION OF CAREER EDUCATION PROGRAMS**
**DR. WILLIAM L. SMITH, DIRECTOR, TEACHER CORPS**
**DR. WILLIAM T. CARTER, DIRECTOR, EDUCATIONAL SYSTEMS DEVELOPMENT**
**EDWARD T. JENNINGS, EXECUTIVE OFFICER, OCCUPATIONAL AND ADULT EDUCATION**
**CORA BEEBE, ACTING BUDGET OFFICER**
**THOMAS McNAMARA, BUDGET ANALYST**
**MARIE J. KEEN, BUDGET ANALYST**
**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

Mr. FLOOD. Now we have occupational, vocational, and adult education. The presentation is going to be by Dr. William Pierce.

At this point we will place Dr. Pierce's biographical sketch in the record.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: William F. Pierce.
Position: Deputy Commissioner for Occupational, Vocational, and Adult Education.
Birthplace and date: Borger, Tex., July 30, 1932.
Education:
  Riverside City College, Riverside, Calif., 1956, Associate of Arts
  University of California, 1958, Bachelor of Science.
  University of California, 1962, Master of Education.
  Michigan State University, 1967, Doctor of Philosophy.
Experience:
  Present: Deputy Commissioner for Occupational, Vocational, and Adult Education.
  1964–72: Michigan State Department of Education:
    Deputy Superintendent of Public Instruction.
    Director, Division of Vocational Education.
    Deputy Director, Division of Vocational Education.
    Chief of Special Programs, Division of Vocational Education.
    Consultant and Supervisor, Manpower Development and Training.
  1963–64: Assistant Coordinator of Student Teachers, Michigan State University, College of Education.
  1962–63: Part time instructor and graduate assistant, Michigan State University, College of Education.
  1960–62: Vocational Agriculture teacher, Petaluma Senior High School, Petaluma, Calif.
  1959–60: Vocational Agriculture teacher, Holtville Union High School, Holtville, Calif.
  1958–59: Vocational Agriculture teacher (Practice teaching), Modesto, Senior High School, Modesto, Calif.

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Association Memberships:

- American Vocational Association.
- Michigan and National Council of Local Administrators, of Vocational Education and Practical Arts.
- Michigan Occupational Education Association.
- National Association of State Directors of Vocational Education.

Mr. FLOOD. Suppose you go ahead with your statement.

### OPENING STATEMENT

Dr. PIERCE.

Mr. Chairman and members of the committee: Thank you for the opportunity to appear here today to present our budget request for occupational, vocational, and adult education for fiscal year 1975. You will note that since our appearance before you last year around this same time to discuss these activities for fiscal year 1974, the Office of Education has been reorganized and the responsibility of this deputy has been extended to include those teacher training activities authorized under part D of the Education Professions Development Act. In addition, the Teacher Corps, authorized under part B of the Education Professions Development Act, has been included under this appropriation but is administered by the Director of the Teacher Corps who reports directly to the Commissioner. Mr. William Smith is here with us today.

New legislation will be proposed to consolidate the vocational education categories and the adult education programs. The general objectives of these consolidations are to simplify the administration of the programs; to increase the flexibility of school officials in meeting local and State priorities; and to allow for better planning and budgeting by State and local officials. I am pleased to note that H.R. 69 consolidates adult education in a manner which meets these objectives. Beginning with a proposed 1974 supplemental request for the 1974–75 school year, programs previously funded under the vocational and adult education authorities are proposed under appropriations to carry out grants consolidation to be transmitted separately to the Congress. Excluding the amounts to be requested in the consolidated legislative packages which will total $550 million for vocational education and $63 million for adult basic education, support for fiscal year 1975 under the occupational, vocational, and adult education appropriation is requested at a level of $55,639,000 which represents $10 million for career education demonstration activities; $8,139,000 to continue final year commitments for certain educational personnel development activities; and, $37,500,000 for the Teachers Corps.

### CAREER EDUCATION

First, I should like to discuss our budget request for career education, which, as you know, has been a major priority in the Office of Education since 1971. The amount of $10 million is requested to initiate a small number of career education demonstration projects which will respond to a call for educational reform generated from throughout the educational community.

The criticisms of the education system, to which career education seeks to respond, center around relationships between education and work in our rapidly changing society as they affect life styles of individuals. Too many persons—at the elementary, secondary, collegiate, and adult levels—see no relations between changing educational opportunities and the changing nature of work in this postindustrial society. Career education seeks to make such relationship both clear and meaningful to persons of all ages in all kinds of educational settings. Its emphasis is threefold: increased educational motivation; stress on education as preparation for work; and assistance to individuals in making the transistion from school to work. The central concern for making work possible, meaningful, and satisfying to each individual extends to unpaid work as well as to paid employment.

The career education program will support five major activities designed to provide national leadership in career education and to encourage its development throughout the Nation.

First, because of the comparatively few comprehensive career education programs which exist at the advanced educational levels, support will be given for the design and implementation of pilot programs at the secondary, community/junior college and 4-year institution levels. These ventures will draw heavily from existing components scattered across the country; the emphasis will be on comprehensiveness and articulation between the several levels of education.

Second, the Office of Education will encourage the spread of career education to every State by supporting a range of the best existing career education programs as demonstration centers for local educators to visit and adapt to their own needs.

Third, emphasis will be given to developing inservice education programs. These will include training sessions for State coordinators of career education, as well as grants for the development of in-service education programs for use by local education agencies interested in implementing career education reforms.

Fourth, funds will also be used for the comprehensive evaluation study of career education outcomes with a view to having a meaningful and useful national picture of career education.

Fifth, because of the rapid development of career education as a major instrument of educational reform and because of the concepts which exist in the field, a variety of analyses, reports, and studies will be supported; these will attempt to clarify the state of the art and provide information for policy development at both the national and local levels.

Although local education agencies were initiating programs and services that later came to influence what was termed as career education, the Congress we believe gave further ratification of the career education process and identified one of its major functions in the Education Amendments of 1972; namely, the establishment of vocational education on an equal footing with academic education. One of the important features of career education is its ability to relate the two and measure such relatedness by giving meaning and relativity to each other. Whether it be the development and dissemination of career information, or the provision of experiences which allow career awareness to be attained, or to explore interests that improve career aspirations or motivate individuals to more relevant learning experiences or to make more effective personal career choices. I believe that career education will serve as the program concept to create a balance of equality between things academic and things occupational.

### EDUCATIONAL PERSONNEL DEVELOPMENT

The Teacher Corps budget request for fiscal year 1975 is $37,500,000, the same amount as has been appropriated for the program for the three previous fiscal years. Approximately $15 million of this amount will go to support those projects in their final year of operation with the remainder earmarked for new projects activities.

Teacher Corps has functioned since 1966 as a nationwide effort to increase the educational opportunities for children from low-income areas by improving the way teachers are prepared and the ways teachers use this preparation. Teacher Corps gives low-income area schools, their communities and nearby universities the opportunity to work together to plan and operate innovative programs for the training of teachers.

A review of available data shows that at least 77 percent of all Teacher Corps graduates accepted teaching or other educational positions in low-income neighborhood schools. This is an unusually high figure for teacher trainees. In this time of a general teacher surplus, this shows that programs specifically designed to train teachers—many of whom are minority persons—to meet the needs of low-income children are still very important.

Teacher Corps, as the major Federal activity supporting change in teacher education programs, begins with a commitment that teachers are important to the schools, to education, and that improved training programs will indeed affect the public school curriculums in important ways. Children's learning needs are controlled by curriculums. Curriculums and their implementation are controlled by teachers. The training of teachers is controlled by university curriculums. Hence, change must begin and become institutionalized at the university level. There are several directions for necessary institutional change which have been taken by Teacher Corps. Perhaps the sharpest direction has been the effort by Teacher Corps projects across the Nation to broaden the community of people who have some responsibility for influencing decisions regarding teacher education beyond the professional teacher education community itself. This makes possible the testing for relevance of the teacher training program in a real world situation.

The goal of the Teacher Corps is to provide for the design of an operational, reality-based program through which reform in teacher education can take place. The commonsense idea of identifying the competencies of a good teacher has helped Teacher Corps form the base of these new training programs. These competencies are agreed to by university and public school teachers, State departments of education staffs and community persons. Teacher Corps project designs recognize that teachers will teach as they're taught. Generally, this has a negative connotation, but if more individualized and relevant methods of teaching can be instituted at the university level, then we can be pleased that teachers teach as they're taught. Teacher Corps views the school, the colleges, the community and the organized profession as collectively supporting a single national program for the improvement of teacher education.

As you know, the Corps has legislation pending that would enable it to provide a greater amount of its resources for the retraining of educational personnel currently employed in a Teacher Corps project site. The additional number of participants, we feel, will complement the typical Teacher Corps team and insure to a greater degree the maintenance of successful educational processes, products and practices after Federal resources are withdrawn. In addition, we also expect that those modifications will permit the program to assess and document successful project elements for the purpose of sharing them with the larger education community, particularly State education agencies, as a basis for improving their certification procedures and institutions of higher education as a basis for reforming how teachers are trained.

In addition, $8,139,000 is requested for the final year of support for other educational personnel development of which $6,355,000 is to continue the urban/rural program which seeks to improve educational opportunities for disadvantaged children and $1,784,000 is for the career opportunities program to enable a few projects which started late to complete the planned 5 year cycle. All other personnel development formerly funded by the Education Professions Development Act is being terminated largely because of the surplus of general education personnel and the increased availability of student aid funds.

## VOCATIONAL EDUCATION

It is anticipated that the consolidated education grant legislative program proposal for vocational education will better provide for the delivery of educational services to the more than 10 million students participating in federally supported vocational education programs. With increased flexibility in the use of Federal funds, school officials will be in a better position to respond to State and local priorities and develop those vocational and occupational programs which best serve the needs of their students. Under the broader new legislation, school officials will be able to continue programs and projects now supported under existing categorical authorities. The proposed 1974 advance funding supplemental provides $544 million for school year 1974–75, an increase of $11 million over the 1974 operating level. The 1975 budget provides $550 million for school year 1975–76, an increase of $6 million over the 1974 suppemental level and $17 million over the 1974 operating level.

## ADULT EDUCATION

As mentioned previously, under proposed legislation, grants for adult education would be made to the States for the purpose of assisting in the elimination of functional illiteracy among the Nation's adults. Support would be provided to expand educational opportunities and to encourage programs that will enable the adult population to continue their education and become more employable, productive, and responsible citizens. More than 800,000 adults with less than an eighth grade education are expected to benefit from the funds included in this budget. Consolidation of the existing categorical programs, simplification of State plan requirements, and elimination of the necessity for Federal approval—all of these actions are expected to increase the responsiveness of adult education programs to State and local needs and priorities. The proposed 1974 advance funding supplemental and the 1975 budget maintain total Federal support for this priority at the current 1974 operating level of $63 million.

### DROPOUT PREVENTION

The dropout prevention program is included in the new consolidated education grant legislative proposal for elementary and secondary education as supplementary services under the innovation category. The 1974 advance funding supplemental and the 1975 budget maintain total Federal support for those activities included under the innovation category at the combined 1974 operating level.

In summary, we are requesting under current legislation, $10 million for career education demonstration activities, $8,139,000 to continue final year commitments for certain educational personnel development activities, and $37,500,000 to continue the teacher corps program. Under the proposed consolidated grants legislation $550 million is to be requested for vocational education programs throughout the Nation and $63 million is to be requested for distribution to the States for adult education programs.

My associates and I will be happy to answer any questions you may have.

### PROPOSED VOCATIONAL EDUCATION LEGISLATION

Mr. FLOOD. The budget for vocational education is based on proposed legislation which would consolidate the existing categories. As of today what is the present status of this legislation?

Dr. PIERCE. We have been working with a number of groups in the vocational community, people like the National Advisory Council for Vocational Education, the American Council on Community and Junior Colleges, and the American Personnel Guidance Association. As a result, we now have in draft form some concepts we think are very appropriate and seem to be gaining a great deal of support from the vocational community. So we are very close to coming up with a piece of legislation, although I have to add that at this moment we don't have the language down specifically. But, Mr. Chairman, I am encouraged by the activities that have been going on and the receptivity of this effort by the members of the community.

What we would hope for is that for the first time, I think, in vocational education history vocational educators could come forward to Congress with a uniform front and say, "This is what we think will help improve the status of vocational education around the country."

Mr. FLOOD. You know what hour and day and month it is. Fiscal year 1975 will begin less than 3 months from now. How long do you plan to wait for enactment of the legislation before you send up a budget request?

Dr. OTTINA. Mr. Chairman, as you are aware, the Vocational Education Act authority does not expire this year. It has an additional year of authority. What we were hoping to do was to develop an improved program of vocational education through the consolidation effort.

If it becomes clear that that is impossible before this committee and the Senate must act, we will of course submit a request for funds under the present existing authorizing legislation.

### CONTINUATION OF 1974 PROGRAM LEVEL

Mr. FLOOD. Just in case the legislation is not enacted for fiscal year 1975, suppose you supply for the record a budget distribution which would continue the existing vocational education programs and of course include the necessary appropriation language. Also provide for each program the State by State funding distribution and a brief description for the record of the way the funds could be used in fiscal year 1975, so we have something to look at.

[The information follows:]

The following table shows the distribution of funds contained in the budget request for activities included in that request as well as a distribution of funds for activities authorized under the Vocational Education Act at the 1974 operating level.

OCCUPATIONAL, VOCATIONAL, AND ADULT EDUCATION

| | 1974 operating level | 1975 estimate |
|---|---|---|
| 1. Grants to States for vocational education: | | |
| (a) Basic vocational education programs: | | |
| (1) Annual | $405,347,000 | $405,347,000 |
| (2) Permanent | 7,161,455 | 7,161,455 |
| Subtotal | 412,508,455 | 412,508,455 |
| (b) Programs for students with special needs | 20,000,000 | 20,000,000 |
| (c) Consumer and homemaking education | 30,994,000 | 30,994,000 |
| (d) Work study | 7,849,000 | 7,849,000 |
| (e) Cooperative education | 19,500,000 | 19,500,000 |
| (f) State advisory councils | 3,044,000 | 3,044,000 |
| Subtotal | 493,895,455 | 493,895,455 |
| 2. Innovation: | | |
| (a) Innovation | 16,000,000 | 16,000,000 |
| (b) Curriculum development | 4,000,000 | 4,000,000 |
| (c) Research | 18,000,000 | 18,000,000 |
| Subtotal | 38,000,000 | 38,000,000 |
| 3. Career education | | 10,000,000 |
| 4. Education personnel: | | |
| (a) Teacher Corps | 37,500,000 | 37,500,000 |
| (b) Other personnel development | 59,883,000 | 8,139,000 |
| Subtotal | 97,383,000 | 45,639,000 |
| 5. Adult education: | | |
| (a) Grants to States | 53,286,000 | 53,286,000 |
| (b) Teacher training and special projects | 10,000,000 | 10,000,000 |
| Subtotal | 63,286,000 | 63,286,000 |
| Total appropriation | 692,564,000 | 650,820,000 |

[Clerk's note: The Department was unable to supply all of the information requested.]

### IMPOUNDED 1973 FUNDS

Mr. FLOOD. While you are doing that also supply for the record a breakdown of the $4,014,000 appropriated in 1973 which was obligated in 1974, with an explanation of how those funds will be used and the project period.

Dr. OTTINA. Yes.

[The information follows:]

*Use of $4,014,000 from fiscal year 1973 appropriation restored for obligation in fiscal year 1974*

| | |
|---|---|
| 1. Vocational education: | |
| (a) State advisory councils (The additional funds provide opportunities for State Advisory Councils to increase their evaluations of their States' vocational education programs. In smaller States, this includes the employment of permanent or additional staff where previously funds were not adequate for this purpose. Many Councils did not have sufficient funds to conduct special studies which can now be done. This increase in funds will also assist all States in preparing a more sophisticated report to the State Board of Vocational Education, to the National Advisory Council on Vocational Education, and to the U.S. Office of Education) | $514,000 |
| (b) Curriculum development (The restored funds are being used to support eight planned projects which would have been rescheduled for funding at a future date. These projects are in the areas of the arts and humanities, the metric system, home economics, home as a learning center, the Peanuts cartoon character, a school to work project, agribusiness, and involvement of the Chief State School Officers) | 2,000,000 |
| 2. Dropout prevention (These funds will be used to increase the funding level of the 19 continuation projects on a proportionate scale based on their fiscal year 1973 level of funding. Ten of the 19 projects, scheduled for termination on June 30, 1974, will use their funds to wrap-up activities, for lessons learned activities, and for dissemination. The other nine projects will use their funds to continue activities as planned) | 1,500,000 |

### UNCERTAINTY SURROUNDING VOCATIONAL EDUCATION

Mr. FLOOD. Last year the budget proposed a transfer of the vocational education program to education revenue sharing. Of course that proposal was not accepted. Now this year the budget proposes to consolidate these programs and this requires legislation; and of course, we don't know what is going to happen.

How are the States going to be able to plan their vocational education programs if you keep coming up with new proposals every year?

Dr. PIERCE. We have been working closely with the States, Mr. Chairman, and they are aware of the fact, as the Commissioner has said, in the event we cannot accomplish the consolidated package in a timely manner we will submit a proposal under the existing legislation. The States recognize that the administration's request for funds is fairly consistent with last year's. Therefore, it is fairly easy for the States to plan on either contingency because the consolidated package does not change that much the ways that the funds can be used. As a matter of fact, the package suggests that most of those ways will be retained but it leaves to the discretion of the States and local communities what percentages they will use for the various categories that are authorized under existing legislation and would be maintained in the consolidated legislation. Particularly in view of the fact, Mr. Chairman, that the proposed legislation provides vocational educators for the first time forward funding, they are willing to put up with the delays, I think, in the hopes that the forward funding might indeed become a reality because it will indeed provide them with an opportunity to do some good and realistic long range planning.

### ENROLLMENT IN VOCATIONAL EDUCATION

Mr. **Flood**. How many students are enrolled now in basic vocational education programs and what is the estimated enrollment for fiscal year 1975?

Dr. **Pierce**. We estimate about 14.4 million students enrolled in 1975. That breaks down to about 8.7 million in secondary programs, about 2 million in postsecondary programs principally in area technical schools and community colleges, and about 3.7 million in adult programs. That would reflect about an 8-percent growth over 1974.

### STATE SUPPORT FOR VOCATIONAL EDUCATION

Mr. **Flood**. I notice that the Federal support for vocational education is not increasing. Does that mean that the States must provide the additional resources necessary for increased enrollment?

Dr. **Pierce**. Yes, and they have done that. The amount of overmatch consistently grows up. The States are committed to vocational education and continue to provide additional State funds. At our latest count in fiscal year 1972, the average across all programs was $4.71 of State and local funds for every dollar of Federal funds allocated to the program.

### FEDERAL SHARE OF VOCATIONAL EDUCATION

Mr. **Flood**. I was going to ask what is the Federal share of the total cost of vocational education in terms of percentage and dollar amount.

Dr. **Pierce**. Again in fiscal year 1972, the Federal share was over $466 million, of about $2.7 billion. So it is a very small percentage.

### VOCATIONAL EDUCATION ENROLLMENT

Mr. **Flood**. For the record give us the information on vocational education enrollment by categories for fiscal years 1974 and 1975.

Dr. **Pierce**. Yes, sir.

[The information follows:]

ESTIMATED ENROLLMENTS IN VOCATIONAL EDUCATION

| | Fiscal year— | |
|---|---|---|
| | 1974 | 1975 |
| (a) Basic vocational education programs | 9, 545, 000 | 10, 330, 000 |
| (b) Programs for students with special needs | 234, 000 | 251, 000 |
| (c) Consumer and homemaking | 3, 635, 000 | 3, 835, 000 |
| (d) Work study | 36, 000 | 40, 000 |
| (e) Cooperative education | 147, 000 | 166, 000 |
| Total | 13, 597, 000 | 14, 622, 000 |

## VOCATIONAL EDUCATION VERSUS MANPOWER TRAINING

Mr. Flood. Can you give us some idea about Federal expenditure per vocational education student as compared to the cost of a trainee under the manpower training programs.

Dr. Pierce. I have seen some figures recently that came out of the project baseline study that the Congress has been interested in. It showed about $41 per student in the vocational program as compared to somewhere in the neighborhood of $2,000 in the manpower program. But that is really a misleading figure, because the manpower program includes a living allowance that the individual receives to go to school which allows that individual who is principally either an unemployed head of a household or a disadvantaged youngster who needs those funds to maintain his family. Therefore, the majority of those funds go for the training allowances rather than for the support of the instructional program, whereas in the vocational program, outside of the work-study kind of activities, the funds are principally used to support either instructional programs or construction of new facilities and things of that nature.

Mr. Flood. What are the major reasons for the difference in cost?

Dr. Pierce. As I said, principally the difference is the cost of living allowance provided under the manpower program which is not provided under the vocational program because, if you remember the figures I quoted, well over half of the enrollment in vocational education are secondary students, students who still maintain their residence with their families and are supported through the family generally and essentially, whereas the manpower program is for people who usually no longer live at home.

## COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

Mr. Flood. The new Comprehensive Employment and Training Act includes new provisions concerning supplemental vocational education assistance. What effect is that going to have on State vocational education programs?

Dr. Pierce. That is still open for some debate. We are hopeful that it will in many ways improve the State vocational education program.

What we have been encouraging and asking to happen at the State level is that the State vocational delivery system make available to the prime sponsors, who, as you know, Mr. Chairman, are principally mayors of cities of 100,000 or more, the services the vocational education program can provide to those mayors.

We are in this new comprehensive legislation encouraging and really insisting on some good coordinated planning between that program and the vocational education program.

Mr. Flood. What is the estimated amount of funds available for this new provision?

Dr. Pierce. Under CETA title I?

Mr. Flood. If you don't know that, supply it for the record.

Dr. Pierce. It was left open in the initial legislation.

[The information follows:]

The estimated amount of funds available for vocational education under section 112 of CETA is $65,950,000 which represents 5 percent of the total amount available under title I ($1,319 million). This money will be used only if the prime sponsor chooses to do so.

### MINORITY ENROLLMENT

Mr. Flood. What is the percentage of minorities enrolled in the vocational education programs?

Dr. Pierce. The baseline study, indicates about 20 percent of the total enrollment in vocational education is minority, which may seem a surprising figure because many people have said that minorities do not take advantage of these programs. We are trying to verify those figures and make sure they are indeed accurate.

### PLACEMENT OF STUDENTS

Mr. Flood. Here is something there is a lot of discussion about. What is the impact of vocational education on the employment market? In other words, can you give us some idea about the placement results for graduates of vocational education programs?

Dr. Pierce. Yes, sir. We have a placement and followup study that we conduct every year for which the States provide us information.

It shows essentially that somewhere around 50 percent of the young people are available for placement. The other 50 percent go on to further studies or go into the service. And of that 50 percent, about 75 to 85 percent are placed. The others go on to further schooling and then they are placed later or go into the military or decide to become homemakers. But about 50 percent are available for placement.

### VOCATIONAL EDUCATION DROPOUT RATE

Mr. Flood. There are a number of reports that a large number of students enrolled in vocational education never finish the course, a lot of these students reportedly being young veterans, minorities, who have received federally guaranteed loans. What data do you have on vocational education dropouts?

Dr. Pierce. Vocational education dropouts or veterans who have gotten a loan and dropped out?

Mr. Flood. Dropouts from vocational education.

Dr. Pierce. The dropout percentage for vocational education in a general sense is lower than for all programs. But I don't have figures, Mr. Chairman, that indicate the veteran dropout rate.

Mr. Flood. If you don't have those figures, put something in the record on that because that question is coming up and there are a lot of reports on it.

Dr. Pierce. There have been some indications, Mr. Chairman, that the dropout rate in some of the postsecondary private schools is higher than we would like. We are looking into that program as a part of the guaranteed loan program.

Mr. Flood. Do it right away so we have it for the record.

[The information follows:]

Although specific data regarding dropouts in vocational education programs is not collected, annual reports and special studies from States indicated that the dropout rate for students from vocational education is lower than the average dropout rate of all students. Several studies indicate that the dropout rate for vocational education students is from 10 to 12 percent less than the national average of all students.

### COMPOSITION OF VOCATIONAL EDUCATION

Mr. FLOOD. For many years vocational education has pretty generally been identified with agriculture and home economics, but the basic laws have been changed to broaden the occupational choices for these vocational education students. As a matter of fact, has much change actually occurred?

Dr. PIERCE. Yes, sir, changes are indeed occurring. You mentioned agriculture and now the total enrollment in production agriculture is about 500,000 young people. That is down somewhat from previous years.

One thing that needs to be stressed is that with the current national and international crisis in the development of food and fiber and other things of an agricultural nature, we may well need to stress additional agricultural programs particularly for adults in the future to make sure they are able to respond to that need in our society.

We are currently working with adult leaders in agricultural education in attempting to anticipate what that need will be and to provide for it.

### CAREER EDUCATION

Mr. FLOOD. What is your definition of career education?

Dr. PIERCE. My definition of career education is that it is much broader—the Commissioner is smiling at me because everyone asks me that question and we have been saying there is no easy and good definition. I think there is a good definition but there is no really easy definition.

My definition of career education is broadly conceived. It extends from elementary or preschool level through the postsecondary level. It includes all levels of education, it includes all people whether they be in vocational education or not. Its basic intent is to extend the educational setting and to allow young people to make an appropriate distinction between the relationship of their education and their ability to find a job, to make work possible, to make work meaningful, and to make work satisfactory. Therefore it is a broader concept that encompasses attitude, if you will, and emphasizes education as being responsible for preparing people for the arts and humanities. It also provides for the first time, I think, the proper emphasis on the role of work in society, both paid and unpaid work.

The distinction in vocational education is that it is narrower than that. It is part of that but principally, at least as it is now being administered, vocational education has dealt with occupational skills almost exclusively and is developing people for their role in paid employment. Whereas the career education doesn't deal exclusively with occupational skills but deals with paid and unpaid employment. It is a much broader attitude and much broader concept.

Mr. FLOOD. Can you give us examples of other programs in the Office of Education that relate to career education?

Dr. PIERCE. A number of programs have been involving career education. Education Professionals Development Act programs have had a heavy responsibility and heavy commitment in trying to carry forward the career education concept.

One of the major needs in career education is the development of inservice people, teachers who understand the concept. So career education has been supported by the EPDA programs. Many of the programs in the postsecondary area are related to it.

We have done a study, Mr. Chairman, that you might be interested in that indicates the commitment of the various programs in the Office of Education to the career education concept, either as a comprehensive career education program or as a program that supports career education.

Mr. FLOOD. Take a look at the chart on page 701 of your hearings last year and update that chart concerning the total funds on career education.

[The information follows:]

The attached table presents the most accurate projection to date of fiscal year 1975 career education initiatives of the Office of Education. Final figures await definitive action on an appropriation by the Congress and the President.

Two comments need to be made about the table. First, the $10 million line item under the Cooperative Research Act is the only budget request specifically identified as career education. While other legislative authorities provide some support for career education, they can only do so in limited ways and their funds cannot properly be identified as "career education funds."

Second, the total Office of Education support reported for career education in fiscal year 1975 is considerably lower than that reported in fiscal year 1974. There are two reasons for this. First, most of the support for career education in previous years has been provided under vocational education authorities. These authorities are now being proposed under consolidated education grants legislation. Support for career education under consolidation is at the discretion of the States. Second, dollar levels reported in support of career education in previous years were based on a very broad definition of the term. As we have become more specific about what is and what is not career education, it has become clear that a number of activities reported as "career education initiatives" in prior years served career education only in indirect ways. We have taken care in the attached table to report as career education initiatives only those activities specifically designed as and directly supporting career education.

DHEW/Office of Education—Fiscal year 1975 initiatives in career education.[1]

[In thousands of dollars]

| | |
|---|---|
| Cooperative Research Act: Career education demonstrations | $10,000 |
| Higher Education Act (HEA IV): Cooperative education[2] | 10,750 |
| Total | 20,750 |

Mr. FLOOD. You are asking for $10 million for career education and you cite as authority the Cooperative Research Act. Why can't this be funded under existing vocational education authorities?

Dr. OTTINA. Our plans were to operate a program on a project grant basis where we could do a variety of things that are shown in the statement that Mr. Pierce made. Most of the other authorities in vocational education have imbedded in them some kind of a State distribution and some kind of a formula rather than a project grant basis. That is why we sought to obtain these funds under the authority of the Cooperative Research Act.

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[1] The table does not include activities which may be conducted by the States from their portions of consolidated education grants legislation.

[2] The cooperative education program was not designed with career education in mind. It may be viewed, however, as one way to approach career education at the postsecondary level.

They are indeed demonstrations and are activities that, as we read the Cooperative Research Act, are authorized under that act.

### TEACHER CORPS

Mr. **Flood.** The justifications for the Teacher Corps refer to proposed new legislation. What legislative changes are being proposed and what is the present status of this new legislation?

Dr. **Smith.** The basic difference in existing authority and the request for the new legislative amendment is that it would provide us an opportunity to include as part of the Teacher Corps team those cooperating teachers to whom the interns are already apprenticed who we have not had the authority to include in the training. That would allow us the opportunity to have at the conclusion of each Teacher Corps project a total staff that has been trained with the newest of techniques. That is primarily what we hope to have.

A second difference will be the emphasis upon a process for documenting more accurately the practices and products that come out of training that can be shared with the total educational community.

In terms of where we now stand, the amendment has been introduced by Senator Nelson as an amendment to S. 1539 and is a part of the bill that will be going to conference.

Dr. **Ottina.** Mr. Chairman, the present authority does not expire this year for Teacher Corps.

Dr. **Smith.** No, and the new authority will simply extend the program to include significant other staff who will be part of the Teacher Corps project.

Mr. **Flood.** The budget estimate for Teacher Corps is $37.5 million. That is the same amount as your 1974 appropriation. However, the number of new participants would increase from 1,000 to 7,000. How is that possible?

Dr. **Smith.** As it now stands we have tried to maintain a very rigid estimate of participants by totaling the number of interns themselves. By including the cooperating teachers with whom the interns work we would have a larger participant number at a lower cost because it would include the inservice cooperating teachers as well as the interns. So, for the same dollars, we will be able to influence at the local level a much larger number of educational personnel in the educational process.

Mr. **Flood.** How much is required in 1975 to continue the same program level that you had in 1974?

Dr. **Smith.** At the same time we estimate that—I am sorry.

Mr. **Flood.** How much in 1975 to maintain the program level that you had in 1974?

Dr. **Ottina.** Mr. Chairman, I think what is at variance here is the proposed change in legislation. With this proposed change we would be including a set of participants who would not all be paid at the same rate and therefore we could expand the numbers. Whereas if we operated the program exactly as it was operated in 1974 without legislative changes, the number of participants would be the same.

Perhaps what we might supply for the record is what it would take to operate in 1975 the carryover from 1974. Was that your question?

Mr. Flood. I wanted to know just how much would be required in 1975 to continue at the same level.

Dr. Ottina. As we do in the program in 1974, $37.5 million.

### TEACHER TRAINING

Mr. Flood. In your other personnel training you are requesting $8.1 million. You have a lot to say about this training business. This makes it stand out. That is a decrease of $51.7 million from last year. How much of the 1974 funds is being used to support the training of additional general classroom teachers?

Dr. Pierce. Not much of the 1974 funds is supporting additional people except in categories that I think Congress is concerned about—Indian education, bilingual education, and special education. The COP program is the one principally providing additional people. The rest of the programs we now have are supporting people currently in the system and are designed to upgrade those people. The funds being asked for EPDA simply finish out the fifth cycle in the COP and urban-rural and suggest because of the teacher surplus we would eliminate the other $15 million in those programs that have generally and could have been used for increasing the surplus and really exasperating the problem.

Mr. Flood. Take a look at page 173 of the justifications. You indicate there that the budget reduction reflects the termination of the special programs which have accomplished their basic purpose.

Dr. Pierce. Yes.

Mr. Flood. Does this mean that there is no shortage of educational personnel?

Dr. Pierce. No, sir. What we believe it means is that there is a shortage of educational personnel in certain areas and that the maintenance of the programs for those people are being conducted and carried out under other programs. The Indian education program, for example, will continue to carry out the Indian education, the special-education program will continue to carry out teacher training, and special education. In a very real sense these have been a redundancy and are no longer necessary for those special-interest areas. But also then we recognize there is a general surplus of teachers across the Nation and we are suggesting that those general-support programs are now ready for elimination.

Mr. Flood. Last year we received an evaluation report from the Commissioner indicating that the career opportunities program had achieved success but that the program had not reached its goal. Why is it you want to phase it out in 1975?

Dr. Smith. Actually, Mr. Chairman, as a matter of record the primary goal for the career opportunities program was to have 8,000 paraprofessionals move through the program. The actual record shows there are approximately 13,000 that will have completed the program upon the end of the fifth year. The design for the career opportunity program and for the urban rural school development program was to have demonstration models that could be tested over a 5-year period and then infuse into existing programs.

I think Dr. Pierce mentioned the fact that Indian education and special education training was going to be picked up by those specific areas. I think you will find the bilingual education areas will do the same thing. They will take that which has come out of both the career opportunity program and the urban rural school development program and incorporate them in the ongoing operational programs for each of the categorical areas.

## ETHNIC HERITAGE STUDIES

Mr. **Flood.** Suppose you give us a few examples of projects you funded with the $2.4 million appropriation for ethnic heritage studies.

Dr. **Ottina.** We have to date not funded any projects. Applications are in process of being received and reviewed, and we will very shortly be able to provide you with a list.

Mr. **Flood.** What other programs are available for ethnic heritage study?

Dr. **Ottina.** Well, there are none that directly address ethnic in the sense that the ethnic heritage program does. Bilingual programs in a sense in the bicultural element do address that and some of the Indian education programs do, but not in the same sense as the ethnic studies.

Mr. **Flood.** Are religious organizations eligible for assistance under the ethnic studies programs?

Dr. **Ottina.** There is a very carefully worded statement——

Mr. **Flood.** I am sure of that.

Dr. **Ottina.** That is in our regulations which I would be happy to provide for the record on that score.

[The information follows:]

## Department of Health, Education, and Welfare, Office of Education, Ethnic Heritage Program

### STANDARDS AND FUNDING CRITERIA FOR FISCAL YEAR 1974

(*a*) *General.*—(1) Pursuant to the authority contained in title IX of the Elementary and Secondary Education Act of 1965, added by section 504 of the Education Amendments of 1972, Public Law 92-318 (20 U.S.C. 900 to 900a-5), notice is hereby given that the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, has adopted the requirements and criteria set forth below to govern the award of assistance during fiscal year 1974 to ethnic heritage studies programs pursuant to such title.

(20 U.S.C. 900 to 900a-5)

(2) It is the general policy of the Department to provide opportunity for interested parties to take part in its rulemaking process. However, in view of the time remaining in the fiscal year needed for preparation of applications by applicants and for the review and funding of such applications by the Department, it is determined that with respect to the standards and criteria contained in this notice, affording such opportunity would be impracticable.

(5 U.S.C. 553(b)(3)(B))

(*b*) *Purpose.*—The purpose of the act is to provide assistance designed to afford students opportunities to learn about the nature of their own cultural heritage and to study the contributions of the cultural heritages of other ethnic groups of the Nation.

(20 U.S.C. 900)

(c) *Definition.*—As used in this notice, "act" means Title IX of the Elementary and Secondary Education Act of 1965, as added by section 504 of the Education Amendments of 1972 (Public Law 92-318), 20 U.S.C. 900-900a-5.

(20 U.S.C. 900 to 990a-5)

(d) *Ethnic heritage studies programs.*—(1) For fiscal year 1974, the Commissioner will make grants to public and nonprofit private educational agencies, institutions, and organizations (including local educational agencies, State educational agencies, and institutions of higher education) as defined in section 801 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 881) to assist them in planning, developing, establishing, and operating ethnic heritage studies programs meeting the requirements of the act, applicable regulations, and the standards contained in this notice.

(2) Such grants will be subject to the provisions of part 100a of the Office of Education general provisions regulation, notwithstanding the fact that grants under the act are not listed in the scope section of the general provisions regulation, section 100a10(a) of this title. (45 CFR part 100a) (38 F.R. 30654 (November 6, 1973)).

(3) An applicant for assistance other than a local educational agency, State educational agency, or institution of higher education shall furnish a copy of its charter or other organic document which demonstrates its status as an educational institution, agency, or organization.

(4) Funds will be made available under grants made pursuant to the act to cover all or part of the cost of establishing and carrying out ethnic heritage studies programs, including the cost of research materials and resources, academic consultants, and related training of staff. (For fiscal year 1974, funds will be made available to provide stipends to individuals receiving such training only in exceptional circumstances.)

(20 U.S.C. 900a, 900a-3(b))

(5) The Commissioner is prohibited from making any payment under the act for religious worship or instruction.

(20 U.S.C. 885)

(e) *Required activities.*—(1) Any ethnic heritage studies program assisted under the act, in accordance with section 903 of the act, must:

(i) develop curriculum materials for use in elementary and secondary schools and institutions of higher education relating to the history, geography, society, economy, literature, art, music, drama, language, and general culture of the group or groups with which the program is concerned, and the contributions of that ethnic group or groups to the American heritage;

(ii) disseminate curriculum materials to permit their use in elementary and secondary schools and institutions of higher education throughout the Nation;

(iii) provide training for persons using, or preparing to use, curriculum materials developed under the act: and

(iv) cooperate with persons and organizations with a special interest in the ethnic group or groups with which the program is concerned to assist them in promoting, encouraging, developing, or producing programs or other activities which relate to the history, culture, or traditions of that ethnic group or groups.

(2) An application which does not make adequate provision for the carrying out by the applicant of the activities described in this paragraph will not be approved.

(20 U.S.C. 900a-1; 900a-2(a)(2))

(f) *Advisory council.*—(1) S 904(a)(3) of the act requires that an ethnic heritage studies program assisted under the act must be planned and carried out in consultation with an advisory council which is representative of the ethnic group or groups with which the program is concerned (20 U.S.C. 900a-(a)(3)). Consultation with an advisory council appointed by the applicant in accordance with the following standards will be deemed to meet the requirements of the act:

(i) each of the ethnic groups with which the program is concerned is represented on the council;

(ii) more than one-half of the membership of the council consists of representatives of the ethnic group or groups with which the program is concerned;

(iii) in the selection of the members of the council, the applicant has consulted with those groups in the area to be served which are representative of the ethnic group or groups with which the program is concerned and with other groups such as foundations, civic groups, and fraternal organizations which have experience which might further the goals of the program;

(iv) the council is broadly representative of academic and other disciplines relevant to the program, and at least one member of the council is affiliated with an institution of higher education which has had experience relevant to the activities listed in paragraph e;

(v) where practicable, educational personnel in elementary and secondary schools and institutions of higher education in the area to be served who have had experience relevant to the carrying out of an ethnic heritage studies program have been invited to serve on the council; and

(vi) the members of the council are not employed by or otherwise associated with the applicant.

(2) In the carrying out of a program assisted under this act, the applicant shall:

(i) consult periodically (and in no event less frequently than once a month) with the advisory council pursuant to this paragraph;

(ii) provide such council with advance copies of all reports required by the Commissioner with respect to the program and all materials prepared or distributed pursuant to it;

(iii) invite the council to participate in periodic evaluations of the program and its effect; and

(iv) otherwise involve the council in its advisory capacity in the operation of the program.

(3) An application for assistance under the act shall contain information indicating the manner in which the requirements of this paragraph have been and/or will be implemented.

(20 U.S.C. 900a-2(a)(3))

(*g*) *Coordination of efforts.*—In approving applications, the Commissioner will seek to insure that there is cooperation and coordination of efforts among the programs assisted under the Act, including exchange of materials and information. An application for assistance under the act must make provision for the role of the applicant in achieving such cooperation and coordination.

(20 U.S.C. 900a-2(b))

(*h*) *Criteria for funding.*—Applications for assistance pursuant to this notice which qualify for consideration will be evaluated in accordance with the following criteria:

(1) *General criteria.*—(i) general criteria set forth in § 100a.26(b) of the general provisions regulation (45 CFR 100a.26(b)); and

(ii) the overall quality of the program, with respect to the activities described in § 903 of the act, in helping students to learn about their own cultural heritage and to study the cultural heritages of other ethnic groups.

(2) *Specific criteria.*—The extent to which: (i) there is evidence of commitment by the applicant and other interest groups to the project and to its continuation upon the expiration of Federal assistance;

(ii) the project shows promise of effectively incorporating into curriculum materials which it will develop the subjects described in paragraph e(1)(i);

(iii) approval of the application would promote an appropriate distribution of ethnic heritage programs throughout the Nation;

(iv) the program is concerned with a number of ethnic groups ("multi-ethnic programs");

(v) the curriculum materials to be developed are designed for widespread use in elementary and secondary schools and institutions of higher education and are not designed for use by the applicant or by the group with which the program is concerned;

(vi) provision is made for active and substantial cooperation with persons and organizations with a special interest in the ethnic groups or groups with which the program is concerned, as provided in § 903(4) of the act;

(vii) provision is made for cooperation and coordination of efforts, including exchange of information and materials and joint activities, with any other program assisted pursuant to this notice;

(viii) the application shows promise that the resources described in §905(a) of the act will be utilized in a manner which will improve the quality of the program: (*a*) the research facilities and personnel of institutions of higher education; (*b*) the special knowledge of ethnic groups in local communities and of foreign students pursuing their education in this country; (*c*) the expertise of teachers in elementary and secondary schools and institutions of higher education; and (*d*) the talents and experience of any other groups such as foundations, civic groups, and fraternal organizations which would further the goals of the programs.

(ix) curriculum materials developed by the project will be designed for wide-scale use by students in regular school and community programs; and

(x) curriculum materials developed by the project will be field-tested before dissemination to determine their effectiveness.

(20 U.S.C. 900a–1 to 900a–5)

1. *Effective date.*—This notice shall become effective 30 days after publication in the Federal Register.

Dated: March 18, 1974.

(Sgd.) DUANE J. MATTHEIS,
*U.S. Commissioner of Education.*

Approved: April 8, 1974.

(S) CASPER W. WEINBERGER,
*Secretary of Health, Education, and Welfare.*

(Catalog of Federal Domestic Assistance Program: 13.549 Ethnic Heritage Studies).

## EDUCATION TRAINING PROGRAMS

Mr. FLOOD. Since you are going to supply things for the record, then supply information showing the amounts available for fiscal years 1974 and 1975 and the legislative authority for the training of personnel in these areas: disadvantaged children, exceptional children, early childhood, Indian children, bilingual education, community colleges, which is a big deal now, vocational education, higher education and adult education.

Dr. OTTINA. Yes.

[The information follows:]

## TRAINING OF PERSONNEL IN CERTAIN AREAS

| | 1974 | | 1975 | |
|---|---|---|---|---|
| | Total Program | Estimate for Training | Total Program | Estimate for Training |
| 1. DISADVANTAGED CHILDREN | | | | |
| Civil Rights training and advisory services (Civil Rights Act, Title IV)........ | $21,700 | $ 4,123 | $21,700 | $ 5,467 |
| Teacher Corps (Education Professions Developme[illegible]t, Part B-I)........ | 37,500 | 11,000 | 37,500 | 14,500 |
| Urban/rural school development (Education Professions Development Act, Part D)........ | 11,529 | 11,529 | 6,355 | 6,355 |
| Career opportunities (Education Professions Development Act, Part D)........ | 22,394 | 22,394 | 1,784 | 1,784 |
| Fellowships for disadvantaged (Higher Education Act, Title IX-D)........ | 750 | 750 | 750 | 750 |
| Categorical Programs (Education Professions Development Act, Part D)........ | 2,469 | 2,469 | --- | --- |
| 2. EXCEPTIONAL CHILDREN | | | | |
| Specific Learning disabilities (Education for Handicapped Act, Part G)........ | 3,250 | 1,080 | 3,250 | 1,080 |
| Special Education and Manpower Development (Education for the Handicapped Act, Part D, sections 631, 632, and 634)....... | 39,615 | 39,615 | 37,700 | 37,700 |
| Exceptional Children (Education Professions Development Act, Part D)........ | 3,907 | 3,907 | --- | --- |
| 3. EARLY CHILDHOOD | | | | |
| Early Childhood projects (Education for Handicapped Act, Part C, Section 623)........ | 12,000 | 3,600 | 14,000 | 6,600 |
| 4. INDIAN CHILDREN | | | | |
| Special Projects (Indian Education Act, Parts B and C)....... | 15,000 | 1,442 | 40,000 | 10,880 |
| Categorical Programs (Education Professions Development Act, Part D)........ | 2,965 | 2,965 | --- | --- |
| 5. BILINGUAL CHILDREN | | | | |
| Bilingual Education (Elementary and Secondary Education Act, Title VII)........ | 50,350 | 5,273 | 35,000 | 4,500 |
| Categorical Programs (Education Professions Development Act, Part D)........ | 2,965 | 2,965 | --- | --- |

| | 1974 | | 1975 | |
|---|---|---|---|---|
| | Total Program | Estimate for Training | Total Program | Estimate for Training |
| 6. COMMUNITY COLLEGES | | | | |
| Graduate fellowships for careers in postsecondary education (Higher Education Act, Title IX-B) | $ 5,806 | $ 5,806 | $ 4,000 | $ 4,000 |
| 7. VOCATIONAL EDUCATION | | | | |
| Vocational Education (Education Professions Development Act, Part F) | 11,268 | 11,268 | --- | --- |
| Basic Vocational Education Programs (Vocational Education Act, Part B) | 412,508 | 30,000 | 1/ | 1/ |
| 8. HIGHER EDUCATION | | | | |
| Language training and area studies: | | | | |
| Fellowships and training grants (Fulbright-Hays Act) | 1,360 | 1,360 | 1,360 | 1,360 |
| NDEA fellowships (National Defense Education Act, Title VI) | 11,333 | 4,193 | 8,640 | 2,890 |
| Higher Education Personnel (Education Professions Development Act, Part E) | 2,100 | 2,100 | --- | --- |
| Strengthening developing institutions (Higher Education Act, Title III) | 99,992 | 2,835 | 120,000 | 2,430 |
| 9. ADULT EDUCATION | | | | |
| Teacher training (Adult Education Act, section 309) | 3,000 | 3,000 | 1/ | 1/ |

[1/] These programs are being consolidated under proposed legislation and will be under State and local control so we cannot estimate future participation.

Mr. FLOOD. Mr. Robinson.

Mr. ROBINSON. Thank you, Mr. Chairman.

### CAREER EDUCATION

Dr. Pierce, you devote quite a proportion of your statement to the question of career education, and as I read it and read what is in the justification it seems to me this is more of an idea than it is a project. I wonder if you wouldn't develop this subject a little more fully for the record with regard to just exactly what you intend to do, how these projects will function, how many of them—you say a limited number of demonstration programs. How many does this infer? And if you could put, if possible, your description in a little more specific language it would help me understand what you want to accomplish.

Dr. PIERCE. Mr. Robinson, let me start on that and then I would like to ask Mr. Elbers to embellish on it if he will.

I think it needs to be noted that the career education concept did indeed begin as a concept, and it began as an idea in a way of finding ways to bridge the gap between academic education and occupational education and vocational education. And there is that gap, and our society has been badly served, I think, in emphasizing the academic and not appropriately emphasizing the world of work and the work concept. So career education started that way as a concept.

We spent some vocational education funds under parts B and C of the Vocational Education Act initially, plus some other funds, to try to determine what that really meant in terms of programs for young people at the local level, and how to change that concept into a program.

We have been doing that, and now we are ready to go to the States and to spend from the $10 million, $5 million to make grants to the States to allow them to pick up and implement in their States those projects that have been conducted under parts C and B which seem to be successful in a given environment where young children have been helped to understand the total world, to function in society, and to think of society as a place in which they have to work. The States can take those projects and put them in other places and try to reasonably evaluate them and see if they really work.

So we are wanting to spend $5 million out of the $10 million for grants to States to accomplish a whole series of things.

Those are such things as inservice training projects where teachers are indeed taught to take that idea, that concept and implement it in their classrooms.

We are concerned, as we have watched and seen the concept grow around the country and the States putting their State and local money into that concept, they have been spending the principal amount of their money and the principal amount of their efforts at the elementary level. We want to spend some of this $10 million, and specifically Mr. Elbers can help me with the amount we have earmarked to get more programs developed at the secondary and the community college level because there has really been a paucity of programs in that area where people have tried to take again the idea and put it into concrete terms at the postsecondary level.

The whole area of inservice training I mentioned is one that we need to spend a great deal of money and time on.

Finally, a great many specific kinds of programs have been developed under the idea, and we are proposing now to spend some money evaluating those programs to find out if they made any difference in the final analysis to kids—do kids learn better, do kids indeed have a better concept of themselves, do they indeed understand the world of work better, are they better able now to make realistic long-range choices given those kinds of programs than they were without those programs.

We think it is time to spend money in the evaluation area, and then we can come forward to Congress and say "Gentlemen, we now know what the idea has produced in concrete terms at the local level, and we are now prepared to tell you which of those ideas we think Congress ought to support with additional funds."

So in 1975 then we would be ready to come to you with concrete support of a larger program.

Mr. ELBERS. I should add that there is going to be an effort to provide funds for State level people to receive training. We feel such a key to development of the career education concept must come from the State, and these people have been appointed, they are in place, and they are very anxious for national leadership.

We hear this everyday. So we would like to bring them together in a series of short-term training situations.

Another big development we hope to bring about would be to work with business and industry.

You have heard of work-study programs over the years, and this is what we have in mind in an effort to bring the world of work to the school and vice versa in a carefully constructed way so you get some educational results, not just a person trained for a particular job.

Dr. PIERCE. Let me make one other statement. I could give you, I think, a more concrete example of the kind of thing we are after.

We funded a study that was designed to provide for us, and then could provide to the States, the best 30 or 40 curriculum efforts in developing new curricula in career education at a whole series of levels from elementary through postsecondary.

The contractor was able to solicit about 1,900 units. Those 1,900 units were ultimately pared down 150 units that meet the criteria, had a score of at least 190 out of a potential of 220.

We are now in a position of saying to people in the field:

> Here are 180 curriculum units that have gone through their seive in a fairly precise way of selecting them. Now take these and in spending these funds we would like to see you implement these in a different environment. We would like to see you try it with different children of different ethnic groups if you will. We would like to determine if it works with disadvantaged youngsters as compared to the group it worked with before.

Those are the specific kinds of things we have been able to discover now and we are trying to get expanded and accepted across the country.

I don't know if that is helpful to you but that is what we are about.

Mr. ROBINSON. It is an intriguing prospect, I certainly must admit. But I have difficulty in getting a grasp on it. It is the only really new thing that you are proposing I think in terms of something that is brandnew in this budget as compared to things that have gone on before. But evidently you have been funding projects under another descriptive title that has gotten you into the area to the extent that you now think you have enough information to go ahead with this $10 million budget item, and we can expect, I presume, on the basis if you find it works, and you believe that it will, that you are going to be coming back and asking for additional money to push it still further in future budgets.

Dr. OTTINA. If I may add two sentences to what Dr. Pierce has said, as much as we would like to take credit for something new it isn't really new this time. We had asked your committee last year for funds to carry out what we are talking about today.

Second, from your home State a gentleman by the name of Gene Sydnor, who I believe is the vice president of the national chamber of commerce, a week ago today or yesterday gave I think a very remarkable talk on career education and what he thought it could do in helping change education as viewed from an external source, the chamber of commerce. I would like to call your attention to that speech and perhaps send it to you.

Mr. ROBINSON. I would very much appreciate it because I know him quite well.

Dr. PIERCE. We know the process works. We just now have to provide the hard nosed kind of evidence that supports our feeling and the other kind of evidence we are now getting that it does indeed work. Mr. Sydnor knows it works. Many people around the Nation like him know that this concept is a viable way to reform the educational system.

The other thing I would like to address is, your comment on the use of other funds. It is true we did begin career education under the Vocational Education Act, and rightly so. The vocational educators have supported the career education concept but they have been critical of the fact that we have never actually provided specifically earmarked funds for career education, and the result has been that we have to spend too many vocational education funds for the broader career education concept. We have now moved back to using those vocational education funds for vocational education programs and are asking Congress now to help support this concept with additional funds.

## TEACHER CORPS

Mr. ROBINSON. Mr. Chairman, I have only one other question and it pertains to a question you asked with regard to how it is you can fund additional people in the Teacher Corps with the same amount of money? Based on the explanation which you give on page 198 of your justifications, you say: "Under the proposed new legislation the program will increase its participant level significantly by including currently employed educational personnel as part of the Teacher Corps project design."

I would like to know what that means in a little plainer English.

Dr. SMITH. As our program presently runs those classroom teachers to whom the interns are apprenticed are termed cooperating teachers. It means that interns spend a year or 6 months with that classroom teacher. To date, because of the specific language of the legislation we have never had an opportunity to include those cooperating teachers as part of the project team. The authority would allow us to include them. This would allow us to use available resources for training interns as well as for the training of a larger additional cadre of school people within a given project. So what we would have in effect is the same cost or a slightly greater cost at a specific project level for instructional services which would include a much larger number of people who could be trained according to the authority.

Dr. OTTINA. Perhaps a very simple way of stating it is that the present interns receive a stipend. They receive $90 per week. They are not employed.

What we would be taking into the project would be a number of classroom teachers who already are employed and therefore would not receive the additional stipend, which means for the same amount of money we can enlarge the participants because we would not be paying them the stipend.

Mr. ROBINSON. They would be members of the Teacher Corps but would not be drawing the stipend?

Dr. OTTINA. In simple terms that is correct.

Mr. ROBINSON. That is the explanation I needed. Thank you very much.

Mr. FLOOD. Mr. Patten.

Mr. PATTEN. Thank you, Mr. Chairman.

### CONFUSION OVER VOCATIONAL EDUCATION

You know I spent 7 years in a vocational school. Frankly I find it hard to follow this. I know I voted for the bill we passed, H.R. 69, and you are going to consolidate the vocational education categories, simplify them and get more flexibility.

I must tell you I am lost. For instance, I am worried about what is going to happen to my advisory council at the State level. Is that going to be up to my State commissioner of education to carry on the work that our vocational advisory group did because they are not going to get any money from you as a grant? That is one that is eliminated. Where do they go?

Dr. PIERCE. The current planning for the consolidated act does suggest that the State advisory council would be retained and the funds would be essentially the same as they are now authorized by Congress. And the only thing we have done in looking at those advisory councils is to suggest that the representation of some of them ought to be broadened.

Mr. PATTEN. That is not lost on me. I heard what you said and it is good.

Dr. PIERCE. It would still be there.

Mr. PATTEN. To get away from just the teachers, I can give you the specifics on that but I don't want to get off on tangents. You think they will survive then?

Dr. PIERCE. The State advisory councils, yes.

Mr. PATTEN. I can't comprehend it.

Just a little followup on Mr. Robinson's conversation. Mr. Ottina, you can't limit your career studies to last year any more than this reorganization. I remember 10 years ago at the State level a real donnybrook when some of these ideas came into play of getting into the high schools with some meaningful vocational learning so they could really get to work and dovetail in this nuclear space age some of the job opportunities instead of having some finish high school who would need work and have no training for what was available.

Mr. Robinson, you will be happy to hear that we take about 50 of the personnel people from the companies like Shell, oil industry from the chemical plants, and we meet almost every year. We have brochures and a wonderful package for every student.

We go into the high school and have a career day. In different rooms the students could go to hear people from industry, from Government, from the building trades, ironworkers, the carpenters, and printers. It is quite a session, as a result of which the teachers and the students meet the fellows who are filling the jobs and get an idea of where the job opportunities are. We consider it very successful.

I don't want to continue it, but there is more to it than that, because some of the industries to help them secure the help they need supply equipment for the schools. We are talking about real money. They will put equipment in the schools. They will loan us teachers. I have seen many industries do this.

Then they will go a step further. I have seen them actually make a contract with the building trades. For instance, the painters local will make a contract to take 20 apprentices a year of those who learn toward painting for apprenticeship. The carpenters make a contract to take 20. The ironworkers, the welders, machinists, tool makers actually make a contract.

A young fellow that would like to get into something is a little closer to it. He is talking to the right people and his teacher is meeting the right people.

What do you think industry pays to have someone capable of being a foreman? You wouldn't mind if I suggested industry pays $20,000 to end up with a capable foreman, foreman training and things of that type. How do you spot a foreman? You have to recruit them in the high school. You have to look them over like they look over basketball players. Otherwise you are not going to get the quality of foreman you want.

So, Mr. Ottina, what we want to do is not vague or theoretical. There is a practical hard-core definite job to be done. I don't think it is theoretical. Do you, Dr. Pierce?

Dr. PIERCE. No.

Mr. PATTEN. In other words, to make a living in my district there are certain jobs available and they are not forest rangers. We don't have mountains or forests. They are not in the apple picker field or in husbandry. We don't need veterinarians as we don't have horses and cows. But we do have industry, and we have Government, and we have science and we have schools.

As far as getting them in high school every one of our high schools has a vocational guidance department. I remember years ago the fight to get a vocational guidance person. Today they have a full record of everybody.

Dr. Pierce. I apparently have not made myself very clear to you and I apologize.

We are not suggesting $10 million is all we want for vocational education. In the consolidated package we would continue to propose for 1975 $550 million to continue the good kind of programs you are suggesting. The $10 million is really designed to try to take about 26 percent of the young people in this country who have the kind of good experiences that you suggest and find ways to expand those experiences to all young people. That is really what the career education dollars will try to do, to bridge that gap, as I said earlier, between the specific vocational education training and the general kinds of academic training that go on. We are committed to the experimental kinds of programs you describe.

Mr. Patten. You don't have to tell me. We just want Mr. Robinson to know we are not up in the sky, we have our feet on the ground. Right?

Dr. Pierce. Right.

Mr. Patten. And many high schools have these career days. They work closely with the people who know what jobs are available. As a result of the career day I will see many of them will take more mathematics or more science, they will change their curriculum as the fellow in the field tells them you better know more about this if you want to come to work for us.

I am talking about what we call probably 85 million people who work in industry. Of course there is something above that with lawyers and doctors and the professionals. In the nuclear space age we have a lot of new professions and a lot of new jobs in our area that weren't in our vocabulary 10 years ago. Unless we get these students ready to get into these jobs they are going to be passed over and the jobs will be filled by somebody else.

Mr. Robinson. If the gentleman will yield, I am thoroughly familiar with the process that you suggest because we do the same thing in Virginia and I think they do in most States. What I was referring to, I think, is something that they are talking about that is on a higher intellectual plane than just doing what we have been doing. That is the area I was inquiring into because they are talking about developing citizens. They are not just talking about developing tradesmen, they are talking about developing citizens and preparing them for the life in a community rather than just how to handle a certain trade I think. That is the area I was trying to explore.

Mr. Patten. Then that escaped me. I am going to drop that.

### WORK-STUDY

I see our State under work-study received about $75,000 less in 1974 than we had in 1973.

I can tell you under work-study in the Brunswick High School with the little help we gave them and the little motivation we reversed the dropouts and large numbers go out everyday at an early hour, 1 or 2 p.m. And Mr. Pierce I will tell you this—and you can get the figures if you want them—the group that went out on work-study paid more income tax than what the Federal Government poured into the program. It enabled many a disadvantaged girl to buy the first dress she ever had that wasn't a hand-me-down because she could earn $20 or $30 maybe in a downtown department store or working in a law office.

The trick is to enable them to have a few dollars of their own. They will stay in high school. Part of the dropout problem undoubtedly is the students are broke, they are embarrassed. They don't have clothes. They don't have shoes. and they can't throw in a couple of bucks for the athletic association. It is embarrassing all the time not to be able to go along with the crowd. In the senior year they want $40 for the sheepskin and yearbook and class ring.

I have seen them shy away. Good brains too. The work-study program is wonderful as I see it.

Dr. Marland sat here and we talked about how many we were reaching, and I well remember what he said he would like to reach. I know we are not pushing work-study to reach millions more that would need the program to benefit from it if the 1974 appropriation to my State is 20 percent less than it was the year before.

Now 1975 is blank. I don't know how it would add up in 1975 with the administration simplifying of the programs. I hope it works out all right.

### COOPERATIVE EDUCATION

Another little thing you passed over which is a big hit and working out is the cooperative education. I don't know how much enthusiasm there is around here for cooperative education. I want to tell you I think we are making a big hit with cooperative education. I don't see where it is getting much of a push. Do you agree with me cooperative education has great merit?

Dr. PIERCE. Yes.

Mr. PATTEN. It is a good program.

Dr. PIERCE. Yes.

Mr. PATTEN. If carried out right.

But you are in an area here which I think is of the utmost importance. When one of my local plants tell me they spend $20,000 to get a good foreman and we put a price tag on this cooperative education program, the career program, the work-study program and Upward Bound and some of the other programs, I hate to see them go by the board and hate to see them cut because I know it will pay dividends if we do it right.

I heartily agree with the idea of simplifying the program because what may be good in Utah may not work at all in my county and what works in my county would be a complete flop maybe in the District of Columbia. This I see.

You know my district in the month of February had 700 more people on the payroll than in January. They are the official figures I read yesterday. That is a little unusual considering the trend. That is the bright spot of it.

So we have the opportunity to use those programs.

Dr. PIERCE. That is correct.

Mr. PATTEN. And our total employment in north Jersey is 68,000 more than it was December 1973. I know when I speak to those personnel men that can't get help, they keep telling me they can't get qualified people, don't have people who are trained properly. Yet we have every high school bursting to the seams. We have thousands and thousands, and come another month or two we will graduate a vast number that are going to hit the market. They are all not going to college. I don't think we do a good job, I think we can do a lot better.

I bet a high percentage of our people couldn't tell you who their Congressman is, let alone the State representatives. I know this from actual tests.

I like the work-study program, I know cooperative education will be a dollar well spent, and I know the career program should be extended.

### ADULT EDUCATION

I want to tell you Woodbridge Township has given adult education a push which is really beautiful. They are doing a terrific job. It is going to pay dividends. Of course they would like to have a few more dollars. I see in the book Jersey got less money in 1974 for adult education than in 1973. So it makes it a little bit hard. I wish you could observe in practice what they are doing for many thousands of adults.

Dr. OTTINA. I just want to point out for the record that all of the programs you have enumerated we are not suggesting they be decreased. We are suggesting at least the same amount of money in total for them.

Mr. PATTEN. You are suggesting to whom?

Dr. OTTINA. To you.

Mr. PATTEN. The Congress?

Dr. OTTINA. The Congress. We are not recommending a decrease on any of these programs.

Mr. PATTEN. I am looking here and see a lot of minuses. Maybe I don't understand this reorganization.

If we are going to keep the unemployment ranks down we have to have new sights. Just take nursing. Years ago a nurse didn't have to be a high school graduate, a nurse didn't need any particular education. It was a case of trying to get them to take up nursing. Go back 50 years the program compared to today I think the curriculum was relatively simple. In other words, almost anybody could make the grade. The doctors are telling us they want nurses who have a college degree. They want nurses who have very special training. You ought to hear them talk. They want a really qualified, intelligent person when they are in the operating room. A lot of our people are going to be left behind if we set those high standards. But for those coming out of high school in June and want to make a living I think we have a long way to go.

Remember Dr. Conant's report, survey of high schools in the United States. It would frighten you with all of the money we are spending. I suppose needs are never the same all over, but in the work you have here, Mr. Pierce, in your Department of Occupational Vocational and Adult Education I think you can make the biggest impact in the country on illiteracy and dropouts and everything else if we do a better job. If you lead the way, I have no doubt about it.

Dr. PIERCE. We will try.

Mr. PATTEN. Thank you, Mr. Chairman.

### TEACHER CORPS

Mr. SHRIVER. I want to direct this question to Dr. Smith, Director of the Teacher Corps.

Dr. Smith, I notice that while your total request is the same as in the past few years, more of your funds in 1975 are to be used for new starts, and your program is to be redirected to a certain degree. I have recently read a project proposal submitted by our local school district in Wichita, Kans., joined by Wichita State University. There is very enthusiastic interest in this type of program. I wonder if you would discuss further the redirection you have in mind for the Teacher Corps, especially in regard to the shift to longer-term projects and the emphasis on training experienced educational personnel.

Have prospective sponsors of new Teacher Corps programs been informed as to what you have in mind so that they might tailor their proposals accordingly?

Dr. SMITH. Legislation has been introduced by Representatives Quie and Brademas and by Senator Gaylord Nelson that would permit experienced teachers, and other school staff, to participate fully in Teacher Corps projects. It would also allow longer term projects—up to 5 years in duration.

Currently, Senator Nelson's bill is part of S. 1539, the Educational Amendments of 1974. We are not going ahead with detailed administrative planning for the new legislation until Congress has completed action in the prospective House-Senate conference.

If the legislation is passed, it will be effective with the fiscal year starting July 1, 1974, and training contracts made under the 1975 appropriations would be subject to its conditions. We intend to inform prospective sponsors of new Teacher Corps projects about the legislation, and about the administrative plans for it, soon after passage of the legislation.

Generally speaking, however, Teacher Corps projects would be able to include whole schools—both experienced and new personnel, and the training would be directed much more closely to the needs of those schools for educational improvement. Special efforts would be made to encourage the use of the findings of research and development in those projects, and the Government, through the Teacher Corps staff, would make available a variety of technical assistance to the local projects.

Finally, the experience of those projects would be documented and evaluated, so that our knowledge of what works and what doesn't work in teacher training will be improved.

Mr. SHRIVER. Thank you.

## ADULT EDUCATION

Mr. CONTE. Do you have any data on employment and job retention rates for those who finish adult education programs?

Mr. PIERCE. A survey was taken in 1971–73 over a period of 18 months. At the beginning of the survey 58 percent of all enrollees surveyed had some job earnings. At the end of the survey this had increased to 70 percent. However, the earnings of those who worked had increased by 20 percent during the 18-month period.

Mr. CONTE. On page 208 of your justification, there's a statement that 18 percent of the enrollees in adult education programs under State grants are expected to finish the program. Is that figure accurate? If so, why is the percentage so small and what is being done about the dropout rate?

Mr. PIERCE. The 18 percent expected to complete the program referred to on page 208 of the justification means 18 percent of the total enrollees in fiscal year 1974 are expected to complete during that fiscal year. Approximately 56 percent of the total enrollees in the next year are expected to be carried over from the previous year, leaving 44 percent for new starts. Since there is a growth in the number of enrollees each year, the data would indicate that the dropout rate could not be more than 20 percent.

The table which I will submit for the record will indicate the reasons for dropouts and the number of dropouts.

[The information follows:]

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Table 4.—Number of separations from adult basic education programs, by reason and by region and State or other area: Aggregate United States, fiscal year 1972

| Region and State or other area | Total | Took a job | Got a better job | Entered other training | Met personal objectives | Lack of interest | Health problems | Transportation problems | Child-care problems | Family problems | Time of class schedule | Class terminated | Other known reasons | Unknown reasons |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Reason for separation | | | | | | | | |
| | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| U.S. total | [illegible] | [illegible] | [illegible] | 17,232 | [illegible] | [illegible] | [illegible] | 9,831 | 8,787 | 9,238 | 7,714 | 20,184 | 24,033 | 49,285 |
| Region I | [illegible] | 1,461 | 888 | [illegible] | [illegible] | 455 | [illegible] | 441 | 451 | 793 | 180 | [illegible] | [illegible] | 1,987 |
| Connecticut | [illegible] | [illegible] | 236 | 431 | [illegible] | [illegible] | [illegible] | 146 | 105 | 275 | 94 | 247 | 571 | 687 |
| Maine | [illegible] | 46 | 15 | [illegible] | [illegible] | [illegible] | 21 | 18 | 11 | 16 | 7 | 0 | 21 | 15 |
| Massachusetts | [illegible] | 721 | 287 | 631 | [illegible] | 474 | 297 | [illegible] | 293 | 418 | 40 | 462 | 1,298 | 694 |
| New Hampshire | 395 | 86 | 65 | 14 | [illegible] | [illegible] | 51 | 64 | 18 | 47 | 15 | 14 | 49 | 67 |
| Rhode Island | [illegible] | 41 | 133 | [illegible] | [illegible] | [illegible] | 14 | 53 | 22 | 22 | 14 | 117 | 61 | 517 |
| Vermont | 172 | 21 | 22 | [illegible] | [illegible] | – | 3 | 0 | [illegible] | 3 | 2 | 0 | 0 | 7 |
| Region II | 13,476 | 1,154 | 566 | 407 | [illegible] | [illegible] | 718 | 887 | 432 | 570 | 489 | 1,059 | 1,374 | 3,827 |
| New York | 3,110 | 54 | 46 | 58 | [illegible] | [illegible] | 143 | 30 | NA | 84 | 84 | NA | NA | 2,934 |
| New Jersey | [illegible] | 622 | 406 | 207 | [illegible] | [illegible] | 232 | 376 | 248 | 215 | 385 | 144 | 528 | 402 |
| Puerto Rico | 4,271 | 522 | 453 | 145 | [illegible] | [illegible] | 361 | 448 | 154 | 272 | 74 | 389 | 737 | 486 |
| Virgin Islands | 79 | 45 | 3 | 0 | 0 | 0 | [illegible] | 33 | 0 | 3 | 0 | 0 | 1 | 5 |
| Region III | 22,419 | 3,519 | 1,773 | 1,830 | [illegible] | 1,467 | 614 | 667 | 609 | 508 | 662 | 1,465 | 1,736 | 2,004 |
| Delaware | 474 | 229 | 12 | 21 | [illegible] | 51 | [illegible] | 9 | 17 | 14 | 12 | 55 | 56 | 17 |
| District of Columbia | [illegible] | 38 | 147 | 51 | [illegible] | 110 | 54 | 31 | 81 | 48 | 7 | 43 | 126 | 509 |
| Maryland | 3,271 | 217 | 111 | 723 | [illegible] | 229 | 142 | 150 | 137 | 105 | 44 | 1,089 | 528 | 579 |
| Pennsylvania | 4,213 | 893 | 520 | 950 | 1,809 | 484 | 76 | 186 | 113 | 187 | 192 | 0 | 674 | 428 |
| Virginia | 4,576 | 127 | 510 | 355 | [illegible] | [illegible] | 182 | 18 | 4 | 6 | 328 | 25 | 340 | 364 |
| West Virginia | [illegible] | 1,162 | 414 | 650 | [illegible] | 340 | 191 | 237 | 257 | 158 | 79 | 243 | 206 | 103 |
| Region IV | 88,706 | [illegible] | 4,876 | [illegible] | [illegible] | [illegible] | [illegible] | 3,410 | 3,188 | 2,597 | 2,669 | 13,476 | [illegible] | 11,521 |
| Alabama | 5,905 | 445 | 204 | [illegible] | [illegible] | 205 | [illegible] | 0 | 140 | 84 | 87 | 280 | 518 | 769 |
| Florida | 20,487 | 3,137 | 1,167 | 2,021 | [illegible] | 1,419 | [illegible] | 1,231 | 1,258 | 1,021 | 797 | 1,901 | 2,127 | 2,703 |
| Georgia | 11,307 | [illegible] | 1,255 | 882 | [illegible] | 914 | 542 | 626 | 506 | 337 | 519 | 707 | 943 | 652 |
| Kentucky | [illegible] | 343 | 508 | 454 | [illegible] | 1,110 | [illegible] | 132 | 160 | 246 | 147 | 1,019 | 1,485 | 703 |
| Mississippi | [illegible] | 230 | 319 | 113 | [illegible] | 846 | 162 | 341 | 155 | 171 | 105 | 156 | 282 | 733 |
| North Carolina | [illegible] | 643 | 317 | 371 | [illegible] | [illegible] | [illegible] | 380 | 240 | 169 | 58 | 7,676 | 1,465 | 648 |
| South Carolina | 14,171 | 2,288 | 949 | 1,118 | [illegible] | [illegible] | 480 | 557 | 437 | 817 | 370 | 6,851 | 3,456 | 4,610 |
| Tennessee | 5,571 | 574 | 183 | 438 | [illegible] | 405 | 333 | 243 | 202 | 206 | 749 | 125 | 836 | 662 |
| Region V | 35,241 | 4,118 | 2,374 | 2,047 | [illegible] | 3,741 | [illegible] | 1,705 | 1,648 | [illegible] | 1,077 | 1,940 | 2,653 | 5,285 |
| Illinois | 11,854 | 2,475 | 1,313 | 523 | 812 | [illegible] | 322 | 165 | 421 | 257 | 523 | 0 | 212 | 2,205 |
| Indiana | [illegible] | 555 | [illegible] | [illegible] | [illegible] | 371 | 124 | 123 | 177 | 105 | 14 | 97 | 508 | 727 |
| Michigan | 9,240 | 733 | 372 | 543 | [illegible] | 409 | 548 | 675 | 545 | 526 | 321 | 869 | 607 | 1,279 |
| Minnesota | 2,135 | 210 | 68 | 280 | 417 | 74 | 93 | 53 | 16 | 102 | 8 | 48 | 249 | 204 |
| Ohio | 5,701 | 812 | 273 | 685 | [illegible] | 431 | 334 | 287 | 365 | 317 | 108 | 723 | 676 | 572 |
| Wisconsin | 2,954 | 233 | 139 | 200 | 442 | 184 | 134 | 87 | 124 | 113 | 39 | 108 | 410 | 288 |
| Region VI | 38,216 | 2,938 | 1,410 | 1,362 | 10,912 | 3,474 | [illegible] | 1,978 | 1,604 | [illegible] | 1,812 | 2,602 | 3,370 | 1,979 |
| Arkansas | 2,417 | 354 | 54 | 397 | 12 | 294 | 71 | 72 | 39 | 45 | 180 | 207 | 431 | 237 |
| Louisiana | 4,752 | 234 | 104 | 176 | [illegible] | 531 | 380 | 321 | 229 | 213 | 449 | 218 | 940 | 757 |
| New Mexico | 676 | 53 | 41 | 32 | 8 | 44 | 14 | 40 | 62 | 43 | 24 | 18 | 15 | 203 |
| Oklahoma | 2,039 | 271 | 269 | 125 | [illegible] | 560 | 107 | 183 | 150 | 87 | 44 | 355 | 188 | 148 |
| Texas | 25,897 | 2,586 | 882 | 592 | [illegible] | [illegible] | 1,095 | 1,442 | 1,174 | 969 | 1,115 | 1,808 | 1,796 | 634 |
| Region VII | 17,364 | 1,493 | 505 | 873 | [illegible] | [illegible] | 567 | 462 | 384 | 586 | 154 | 3,402 | 1,696 | 3,220 |
| Iowa | 6,623 | 300 | 164 | 296 | [illegible] | 330 | 218 | 89 | 113 | 171 | 55 | 1,667 | 612 | 1,108 |
| Kansas | [illegible] | 35 | 28 | 58 | 923 | 32 | 41 | 34 | 53 | 51 | 16 | 18 | 96 | 122 |
| Missouri | [illegible] | 999 | [illegible] | 318 | [illegible] | [illegible] | 164 | 227 | 120 | 115 | 51 | 1,695 | 640 | 1,809 |
| Nebraska | [illegible] | 157 | 75 | 141 | 349 | [illegible] | 144 | 112 | 98 | 179 | 22 | 22 | 348 | 161 |
| Region VIII | 4,650 | 671 | 135 | 224 | [illegible] | 651 | 275 | 184 | 171 | 196 | 133 | 442 | 480 | 647 |
| Colorado | [illegible] | 131 | [illegible] | [illegible] | 257 | [illegible] | 110 | 42 | 37 | 127 | 40 | 307 | 253 | 150 |
| Montana | 874 | 182 | 3 | 80 | | 104 | [illegible] | [illegible] | 15 | 6 | 24 | 0 | 106 | 129 |
| North Dakota | 460 | 39 | 19 | [illegible] | [illegible] | [illegible] | 10 | [illegible] | 24 | 18 | 9 | 2 | 13 | 68 |
| South Dakota | NA | NA | NA | NA | [illegible] | [illegible] | [illegible] | NA | NA | NA | NA | NA | NA | NA |
| Utah | [illegible] | 190 | 64 | [illegible] | 3 | [illegible] | [illegible] | 19 | 9 | 0 | 0 | 0 | 33 | 243 |
| Wyoming | 242 | 43 | 27 | [illegible] | 89 | 14 | 18 | 11 | 23 | 43 | 52 | [illegible] | 39 | 51 |
| Region IX | [illegible] | 1,083 | 760 | 1,790 | [illegible] | 552 | 341 | 163 | 106 | 850 | 570 | 2,793 | 2,723 | 17,262 |
| Arizona | [illegible] | [illegible] | 74 | 87 | [illegible] | [illegible] | 43 | 45 | 29 | 40 | 70 | 1,832 | 209 | 846 |
| California | [illegible] | [illegible] | 634 | [illegible] | 310 | [illegible] | [illegible] | NA | NA | 569 | 352 | NA | 1,978 | 15,167 |
| Hawaii | [illegible] | 248 | 5 | 42 | | [illegible] | 25 | 26 | [illegible] | 0 | 0 | 0 | 344 | 783 |
| Nevada | [illegible] | 30 | 37 | [illegible] | | [illegible] | | [illegible] | 8 | 110 | 128 | 526 | 127 | 298 |
| American Samoa | 356 | 15 | 7 | [illegible] | 24 | [illegible] | [illegible] | 0 | 21 | 69 | 0 | 0 | 40 | 70 |
| Trust Terr., Pac. Is. | [illegible] | 7 | 10 | [illegible] | | [illegible] | 0 | 3 | 31 | 10 | 13 | 43 | 0 | 33 |
| Guam | [illegible] | 8 | 0 | 13 | [illegible] | [illegible] | 3 | 35 | 14 | 3 | 0 | 338 | 25 | 69 |
| Region X | [illegible] | 1,016 | 357 | 592 | [illegible] | 708 | 255 | 302 | 226 | 318 | 68 | 1,393 | 759 | 1,573 |
| Alaska | 995 | 0 | 0 | 18 | [illegible] | 68 | 12 | 90 | 56 | 42 | 0 | 0 | 126 | 29 |
| Idaho | [illegible] | 357 | 71 | 187 | [illegible] | 90 | 43 | 58 | 41 | 58 | 5 | 370 | 131 | 229 |
| Oregon | 2,537 | 181 | [illegible] | 158 | 280 | 300 | 112 | 59 | 42 | 85 | 46 | 235 | 225 | 791 |
| Washington | [illegible] | 478 | 214 | 152 | [illegible] | 314 | 89 | 95 | 79 | 133 | 17 | 788 | 277 | 529 |

## CAREER EDUCATION

Mr. CONTE. The National Institute of Education has as one of its priority areas the relation between education and work. The Office of Education is asking for $10 million for demonstration projects in this area. How do the two programs relate to each other?

Mr. PIERCE. The NIE is concerned with research and development in career education; the Office of Education is concerned with installation of tested R. & D. products and practices in the schools. Much research and development has already been done in career education, both by the NIE and others, which demands meaningful implementation into local school systems and institutions of higher education. This will be the focus of Office of Career Education efforts in fiscal year 1975 and in succeeding years as research results become increasingly available. This linkage between Office of Education and National Institute of Education is of mutual advantage. In addition to assisting in the installation of tested R. & D., the Office of Education will convey to the National Institute of Education R. & D. needs identified by its operational activities. The cooperative efforts of the two agencies will, hopefully, improve the relation between research and application in our schools.

Career education is the first and largest area of broad cooperation between Office of Education and National Institute of Education. Frequent meetings are held to explore progress and develop mutually reinforcing plans.

## TEACHER CORPS

Mr. CONTE. Your justification indicates that 77 percent of Teacher Corps graduates accept positions in low-income neighborhood schools. What happens to the other 23 percent? For the record, please.

[The information follows:]

Of the cycle 6 interns (the most recent—June 1973—graduating class) who did not accept a position in a low-income area: 2 percent were undecided as to future plans; 5 percent went on to further academic training; 11 percent accepted teaching positions in more affluent schools; 2 percent left the field of education but remained in "related" social service work (e.g. Peace Corps, social work) and 3 percent went into noneducation related work.

Mr. CONTE. What is the Teacher Corps dropout rate during internship?

Dr. SMITH. Dropout rate during internship through 6 cycles (1968–1973) has averaged 23.6 percent. The dropout rate for cycle 6, the last graduating class, was 17 percent.

Mr. CONTE. How many present Teacher Corps trainees are minorities? Veterans?

Dr. SMITH. Of the total of 2,888 interns selected for Teacher Corps service in the on-going cycles 7 and 8, 1760 are minorities. These include 431 blacks, 84 American Indians, 211 Mexican Americans, 86 Puerto Ricans, et cetera, and 542 are veterans. Since about half of Teacher Corps selectees are male, veteran participation in relation to male interns only is 37 percent.

Mr. CONTE. Doesn't your proposed shift in Teacher Corps training to emphasis on retraining personnel already in the system mean a basically different kind of training activity?

Dr. SMITH. No. The present intern training is field based. The inclusion of experienced teachers simply makes the field-based training more reality based for interns. It will then accomplish two things for the price of one. Properly examined inservice education is really continuing education. It aims at increasing the number of instructional options and professional alternatives available to educational personnel.

If a "growth" approach is applied to teacher inservice education, instead of the "defect" approach (this assumes the teacher must somehow be corrected), then professional growth will relate to life in the classroom and focus directly upon the problems encountered. It will be characterized by training geared to developing the ability to make rational choices and increasing the number of instructional options.

Moving in this direction will still allow the Teacher Corps to retain the "team" notion. It will be an ongoing improvement of people.

Mr. CONTE. How are Teacher Corps grants to higher education institutions and to local education agencies coordinated?

Dr. SMITH. The administrative and fiscal organization of a Teacher Corps project represents a "marriage" between a teacher training institution and a nearby school system. The school district, in turn, appoints a project coordinator who assumes responsibility for outlining the personnel and curriculum needs of the district and the teaching competencies desired in teachers. There can be one university and one LEA or a multiplicity of each receiving separate grants.

Mr. FLOOD. Thank you very much.

We will recess until 2.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

## OFFICE OF EDUCATION

### Occupational, Vocational, and Adult Education

### Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation (Annual) | $614,903,000 | $55,639,000 |
| Appropriation (Permanent) | 7,161,455 | --- |
| Amount withheld (PL 93-192) | -26,354,000 | --- |
| Subtotal, adjusted appropriation | 595,710,455 | 55,639,000 |
| Comparative transfer to: | | |
| Salaries and expenses for the National advisory councils on vocational education and adult education | -529,000 | ---<br>--- |
| Comparative transfers from: | | |
| Educational development for: | | |
| Teacher corps | 37,500,000 | --- |
| Other education personnel development | 59,883,000 | --- |
| Dropout prevention | 4,000,000 | --- |
| Ethnic heritage studies | 2,375,000 | --- |
| Subtotal, budget authority | 698,939,455 | 55,639,000 |
| Unobligated balance, start of year | 768,477 | --- |
| Total, 1974 base obligations | 699,707,932 | 55,639,000 |
| Unobligated balance, restored | 4,014,000 | --- |
| Total, obligations | 703,721,932 | 55,639,000 |

### Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $ 703,721,932 |
| 1975 Estimated obligations | - 55,639,000 |
| Net change | -648,082,932 |

| | Base | Change from Base |
|---|---|---|
| Increases: | | |
| A. Program: | | |
| 1. Career education | $ --- | $ 10,000,000 |
| Total increases | --- | 10,000,000 |
| Decreases: | | |
| A. Program: | | |
| 1. Grants to States for vocational education programs: | | |
| (a) Basic vocational education programs: | | |
| (1) Annual | 405,347,000 | -405,347,000 |
| (2) Permanent | 7,161,455 | -7,161,455 |
| Subtotal | 412,508,455 | -412,508,455 |
| (b) Programs for students with special needs | 20,000,000 | -20,000,000 |
| (c) Consumer and homemaking education | 30,994,000 | -30,994,000 |
| (d) Work-study | 7,849,000 | -7,849,000 |
| (e) Cooperative education | 19,500,000 | -19,500,000 |
| (f) State advisory councils | 3,558,000 | -3,558,000 |
| Subtotal | 494,409,455 | -494,409,455 |
| 2. Innovation | 40,768,477 | -40,768,477 |
| 3. Education personnel: | | |
| (a) Other education personnel development | 59,883,000 | -51,744,000 |
| 4. Adult education | 63,286,000 | -63,286,000 |
| 5. Dropout prevention | 5,500,000 | -5,500,000 |
| 6. Ethnic heritage studies | 2,375,000 | -2,375,000 |
| Total, decreases | --- | -658,082,932 |
| Total, net change | | -648,082,932 |

## Explanation of Changes

Increases:

1. Career education:- The increase of $10,000,000 will provide for the initiation of a small number of career education installation-demonstration projects.

Decreases:

1. Grants to States for vocational education programs:- Beginning with a 1974 supplemental for the school year 1974-75, all categorical programs authorized by the Vocational Education Act will be included in a Consolidated Education Grants legislative program. The fiscal year 1974 operating level for the vocational education State advisory councils includes obligations of funds ($514,000) appropriated in fiscal year 1973 but not released until fiscal year 1974.

2. Innovation:-Beginning with a 1974 supplemental for the school year 1974-75, innovation programs will be included in a new consolidated education grants legislative program. The decrease of $40,768,477 reflects 1974 obligations of $768,477, the amount of normal carryover funds from prior years available in fiscal year 1974, and $2,000,000 in released funds from 1973 made available in fiscal year 1974.

3. Other education personnel:- The reduction of $51,744,000 for other education personnel development reflects a decline in the overall teacher shortage and the termination of a number of special programs which have accomplished their basic purposes. The urban/rural program will continue to be funded at a level of $6,355,000 to support 31 existing operational projects. The request for career opportunities of $1,784,000 will continue to support training of up to 1,400 educational personnel.

4. Adult education:- Beginning with a 1974 supplemental for the school year 1974-75, adult education programs will be included in a new Consolidated Education Grants legislative program.

5. Dropout prevention:- This program is included in the new Consolidated Education Grants legislative program. The fiscal year 1974 operating level for the Dropout prevention program includes obligations of funds appropriated in fiscal year 1973 ($1,500,000) but not released for obligation until fiscal year 1974.

6. Ethnic heritage studies:- No funds are being requested for this activity in fiscal year 1975.

Obligations by Activity

| Page Ref. |  | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
|  | Grants to States for vocational education programs: |  |  |  |
| 179 | (a) Basic vocational education programs: |  |  |  |
|  | (1) Annual............ | $405,347,000 | $ --- | $-405,347,000 |
|  | (2) Permanent.......... | 7,161,455 | --- | -7,161,455 |
|  | Subtotal........ | 412,508,455 | --- | -412,508,455 |
| 181 | (b) Programs for students with special needs..... | 20,000,000 | --- | -20,000,000 |
| 183 | (c) Consumer and homemaking education............. | 30,994,000 | --- | -30,994,000 |
| 185 | (d) Work-study............... | 7,849,000 | --- | -7,849,000 |
| 186 | (e) Cooperative Education.... | 19,500,000 | --- | -19,500,000 |
| 188 | (f) State advisory councils.. | 3,044,000 | --- | -3,044,000 |
|  | (Obligations)...... | (3,558,000) |  |  |
|  | Subtotal........ | 493,895,455 | --- | -493,895,455A/ |
| 189 | Innovation.. .. ..... ..... .... | 38,768,477 | --- | -38,768,477B/ |
|  | (Obligations)....... | (40,768,477) |  |  |
| 195 | Career education............... | --- | 10,000,000 | +10,000,000C/ |
|  | Education personnel: |  |  |  |
| 196 | (a) Teacher corps............ | 37,500,000 | 37,500,000 | --- |
|  | (b) Other education personnel development: |  |  |  |
| 199 | (1) Urban/rural........ | 11,529,000 | 6,355,000 | -5,174,000 |
| 201 | (2) Career opportunities............ | 22,394,000 | 1,784,000 | -20,610,000 |
| 203 | (3) Categorical programs......... | 8,399,000 | --- | -8,399,000 |
| 204 | (4) Exceptional children......... | 3,907,000 | --- | -3,907,000 |
| 205 | (5) Vocational education........ | 11,268,000 | --- | -11,268,000 |
| 206 | (6) New careers in education........ | 286,000 | --- | -286,000 |
| 207 | (7) Higher education... | 2,100,000 | --- | -2,100,000 |
|  | Subtotal........ | 59,883,000 | 8,139,000 | -51,744,000D/ |
|  | Adult education: |  |  |  |
| 208 | (a) Grants to States......... | 53,286,000 | --- | -53,286,000 |
| 210 | (b) Special projects......... | 7,000,000 | --- | -7,000,000 |
| 212 | (c) Teacher training......... | 3,000,000 | --- | -3,000,000 |
|  | Subtotal........ | 63,286,000 | --- | -63,286,000A/ |
| 214 | Dropout prevention............. | 4,000,000 | --- | -4,000,000A/ |
|  | (Obligations)....... | (5,500,000) |  |  |
| 215 | Ethnic heritage studies......... | 2,375,000 | --- | -2,375,000E/ |
|  | Total obligations (base) .......... | 699,707,932 | 55,639,000 | -644,068,932 |
|  | Total obligations.. .. .. .......... | (703,721,932) |  |  |

* 1974 Base--Excludes 1973 appropriation restorations. Total obligations are shown in parentheses

## Explanation of Changes

A/ Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program.

B/ The decrease of $38,738,477 reflects obligations of $768,477, the amount of carry-over funds from prior years available in fiscal year 1974. The appropriated amount of $38,000,000 in fiscal year 1974 includes Parts C, D and I of the Vocational Education Act and these programs will be included in the consolidated education grant legislative program in fiscal year 1975.

C/ An amount of $10,000,000 will provide for the initiation of a small number of career education installation-demonstration projects.

D/ The reduction of $51,744,000 for other educational personnel development programs reflects a decline in the overall teacher shortage and the termination of a number of special programs which have accomplished their basic purposes.

E/ No funds are requested for this activity in 1975 since the authority overlaps other education authorities and ethnic heritage studies can be supported without funding a particular categorical authority.

### Obligations by Object

|  | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Other services.................... | $ 6,443,477 | --- | $ -6,443,477 |
| Grants, subsidies and contributions.................. | 697,278,455 | 55,639,000 | -641,639,455 |
| Total obligations by object... | 703,721,932 | 55,639,000 | -648,082,932 |
| Total obligations excluding 1973 appropriation restorations.. | 699,707,932 | 55,639,000 | -644,068,932 |

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Authorizing Legislation

| LEGISLATION | 1975 Authorized | 1975 Appropriation requested |
|---|---|---|
| Vocational Education Act of 1963: | | |
| Section 102(b) -- Programs for students with special needs | $ 60,000,000 | $ --- |
| Section 103(a) -- Transfer to Department of Labor for studies on manpower needs | 5,000,000 | --- |
| Section 104(a) -- National advisory council on vocational education | 150,000 1/ | 3/ |
| Section 104(b) -- State advisory councils | Indefinite | --- |
| Part B -- Basic vocational education programs | 504,000,000 | --- |
| Part C -- Vocational research and training | 56,000,000 | --- |
| Part D -- Innovation | 75,000,000 | --- |
| Part E -- Residential schools | 60,000,000 | --- |
| Part F -- Consumer and homemaking education | 50,000,000 | --- |
| Part G -- Cooperative education | 75,000,000 | --- |
| Part H -- Work study | 55,000,000 | --- |
| Part I -- Curriculum development | 10,000,000 | --- |
| Smith-Hughes Act (Permanent) | 7,161,455 | --- |
| Elementary and Secondary Education Act: | | |
| Title VIII, section 811 -- Consumers' education | 35,000,000 | --- |
| Education Professions Development Act: | | |
| Section 504 -- Attracting qualified persons to field of education | 2/ | --- |
| Part B-1 -- Teacher corps | 2/ | 37,500,000 |
| Part C -- Fellowships for teachers and related education personnel | 2/ | --- |
| Part D -- Improving training opportunities for personnel serving in programs of education | 2/ | 8,139,000 |
| Part E -- Training programs for higher education personnel | 2/ | --- |
| Part F -- Training and development programs for vocational education personnel | 2/ | --- |
| Cooperative Research Act: | | |
| Career education | 78,000,000 4/ | 10,000,000 |
| Higher Education Amendments of 1972: | | |
| Title X -- Community colleges and occupational education: | | |
| Part A -- Establishment and expansion of community colleges | 150,000,000 | --- |
| Part B -- Occupational education programs | 500,000,000 | --- |

1/ Authorization is for technical assistance only.

2/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

3/ This activity is being requested under "Salaries and expenses" in fiscal year 1975.

4/ Additional amounts of $19,000,000 under the Elementary and Secondary Education appropriation and $12,600,000 under the Salaries and Expenses appropriation will be requested under this authority.

## Occupational, Vocational, and Adult Education

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $193,146,000 | $210,296,000 | $210,296,000 | $210,296,000 |
| 1966 | 329,741,000 | 299,741,000 | 324,241,000 | 324,104,000 |
| 1967 | 374,961,000 | 373,839,000 | 380,289,000 | 349,523,000 |
| 1968 | 436,350,000 | 380,350,000 | 398,450,000 | 362,516,000 |
| 1969 | 504,748,000 | 443,866,000 | 470,066,000 | 433,391,000 |
| 1970 | 487,416,000 | 670,553,000 | 719,916,000 | 550,344,000 |
| 1971 | 598,586,000 | 642,086,000 | 662,996,000 | 647,836,000 |
| 1972 | 621,555,000 | 710,685,000 | 755,055,000 | 709,216,000 |
| 1973 | 713,733,000 | 663,461,000 | 825,071,000 | 771,044,000 |
| 1974 | 638,436,000 | 704,935,000 | 763,812,000 | 721,294,000 1/ |
| 1975 | 55,639,000 2/ | | | |

NOTE: In order to reflect comparability with the 1975 estimate this history table includes activities transferred from the appropriation for Educational Development.

1/ The Congress appropriated this amount but allowed the President to withhold 5 percent. The reduced amount of $691,778,000 represents the amount the President proposes to allocate.

2/ This amount does not include State grant funds proposed to be included in the consolidated education grants program; the table is otherwise comparable.

## Justification

## Occupational, Vocational, and Adult Education

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education programs: | | | |
| (a) Basic vocational education | | | |
| (1) Annual.................... | $405,347,000 | --- | $-405,347,000 |
| (2) Permanent................ | 7,161,455 | --- | -7,161,455 |
| Subtotal........... | 412,508,455 | --- | -412,508,455 |
| (b) Programs for students with special needs............... | 20,000,000 | --- | -20,000,000 |
| (c) Consumer and homemaking education.................. | 30,994,000 | --- | -30,994,000 |
| (d) Work-study.................... | 7,849,000 | --- | -7,849,000 |
| (e) Cooperative education......... | 19,500,000 | --- | -19,500,000 |
| (f) State advisory councils....... | 3,044,000 | --- | -3,044,000 |
| Subtotal........... | 493,895,455 | --- | -493,895,455 |
| Innovation......................... | 38,000,000 | --- | -38,000,000 |
| Career education................... | --- | $10,000,000 | +10,000,000 |
| Education personnel: | | | |
| (a) Teacher corps................. | 37,500,000 | 37,500,000 | --- |
| (b) Other education personnel development................ | 59,883,000 | 8,139,000 | -51,744,000 |
| Adult education.................... | 63,286,000 | --- | -63,286,000 |
| Dropout prevention................. | 4,000,000 | --- | -4,000,000 |
| Ethnic heritage studies............ | 2,375,000 | --- | -2,375,000 |
| Total...................... | 698,939,455 | 55,639,000 | -643,300,455 |

## General Statement

Beginning with a 1974 supplemental for the 1974-75 school year, programs previously funded under the vocational and adult authorities will be absorbed under separate new consolidated education grant legislation to be transmitted to the Congress. This new legislation will restructure the present mode of Federal support in vocational education and in adult education. The specific objectives of these consolidations are to simplify the administration of the programs; to increase the flexibility of school officials in meeting local priorities; and to allow for better planning and budgeting by State and local officials. If, however, the new legislation is not enacted, funds for 1975 will be requested under existing authorities. Also to be consolidated, but under new elementary and secondary legislation is the dropout prevention program.

Support for fiscal year 1975 under the Occupational, Vocational, and Adult Education appropriation is requested to be $55,639,000: $10,000,000 for career education, $8,139,000 for educational personnel development and $37,500,000 for teacher corps. Of the total amount requested for educational personnel development, $6,355,000 is to continue the urban/rural program which seeks to improve education opportunities for disadvantaged children in those geographical areas and $1,784,000 is for the career opportunity program which enables disadvantaged persons to work as paraprofessionals in elementary and secondary school systems and to advance to more responsible positions through specifically designed career ladders. New legislation has been introduced to broaden the scope of activities available under the Teacher Corps.

Other educational personnel development programs in the areas of elementary and secondary, vocational, and higher education will not be funded in fiscal year 1975. Although support for programs and projects under the Education Professions Development Act is scheduled to decline, the budget continues to support training activities for teachers of the handicapped and bilingual children, and training under Title IV of the Civil Rights Act. These activities are discussed under other appropriations.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education | | | |
| (a) Basic grants to States: | | | |
| Annual.......................... | $405,347,000 | --- | $-405,347,000 |
| Permanent....................... | 7,161,455 | --- | -7,161,455 |
| Total........................... | 412,508,455 | --- | -412,508,455 |

## Narrative

### Program Purpose

Part B of the Vocational Education Act of 1963, as amended, authorizes formula grants to the States to assist in maintaining, extending, and improving existing programs of vocational education and in developing new programs for persons of all ages with the objective of insuring that education and training for career vocations are available to all individuals who desire and need such training for gainful employment. To prepare youth and adults for entrance into and advancement throughout the Nation's labor force, vocational education programs are designed to meet the occupational actual or anticipated labor demands. Funds may be used for: State and local administrative personnel, institutional support, vocational guidance and counseling, training of teachers, construction and remodeling of facilities, purchase of training materials and equipment, development of curricula, research, and evaluation. Forty percent of each State's allotment must be set-aside for specific purposes: (1) 15 percent for disadvantaged; (2) 10 percent for handicapped; and (3) 15 percent for postsecondary programs. Statewide matching is required on a dollar-for-dollar basis.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

An estimated 8,808,000 students were enrolled in basic vocational education programs in 1973, with estimated enrollments of 4,808,000 for secondary, 1,450,000 for postsecondary and 2,550,000 for adults. Secondary enrollments made the most significant growth with an enrollment of 3,929,000 regular, 728,000 disadvantaged and 151,000 handicapped students. Post-secondary enrollments included 1,236,000 regular, 135,000 disadvantaged, and 79,000 handicapped students. Adult programs reached an estimated enrollment of 2,390,000 regular, 125,000 disadvantaged and 35,000 handicapped students.

Three hundred and ten remodeled and new institutions were completed or constructed across the country. The Appalachian Regional Commission (ARC), in cooperation with State Vocational and Technical Education programs, initiated 100 of these projects.

In 1974, fifty-six grants will be awarded to States and outlying areas to carry out programs of vocational education for approximately 9,545,000 students. In addition 273 area vocational schools will be constructed or remodeled.

During this period, emphasis will be placed on the further development of instructional programs and services that will ensure that students upon completing these programs will be qualified for employment, and should they desire they will also be eligible for further training in areas leading to advanced employment. To help accomplish this goal, a system for identification of data on new and revised curriculum guides and other materials will be developed and this data disseminated to the States so that educational programs can be restructured around a comprehensive career development system featuring extensive community, industrial, and business involvement. This activity will incorporate the expanded use of cooperative education with particular emphasis on curriculum development to meet the needs of students from the various minority groups.

Technical assistance will be provided by the central and regional Office of Education personnel to a minimum of 10 States to assist in improved management and evaluation procedures for delivery of services to the students through the local education agencies.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education: | | | |
| (b) Programs for students with special needs................ | $20,000,000 | --- | $-20,000,000 |

## Narrative

### Program Purpose

Section 102(b) of the Vocational Education Act of 1963, as amended, provides support for programs and services for persons who are not able to succeed in regular vocational programs because of poor academic backgrounds, lack of motivation, and depressing environmental factors. Programs are concentrated within the States in areas where there is high youth unemployment and school dropouts. Special services and programs are provided these disadvantaged students to encourage them to stay in school and to acquire the academic and occupational skills needed for successful employment when they leave school or pursue their career preparation. These funds are in addition to the 15 percent available under the basic grants to States provided under Section 102(a) of the Act which must be used for this same purpose. Formula grants are made to the States based on population by age groups and per capita income. No matching is required.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/74

An estimated 217,000 students were reached in fiscal year 1973, a substantial increase over the projected enrollment for this period. Emphasis was placed on individually serving each student to help overcome his specific handicap. Many of these students were integrated into the regular vocational education programs. Staff training workshops and institutes helped to sensitize all faculty to the special problems of students exposed to adverse socioeconomic, cultural, and environmental factors.

Coordinated efforts have been made with other educational and social agency resources to provide each student the total supportive services which he might need in order to succeed in his vocational education program. Included in these services are remedial work, individual scheduling, medical attention and special counseling.

These funds were concentrated in areas of the States where it was difficult to get local matching or where State institutions were accessible. State correctional institutions jointly planned and implemented courses for the inmates. Mobile units were purchased by the States and sent to both rural and urban areas for short-term intensive skill development programs.

It is expected that funds appropriated for this activity for fiscal year 1974 will permit enrollment of 234,000 academically disadvantaged students in special programs designed to provide them the academic and occupational skills needed for successful employment and further career preparations. Guidelines and direction will be provided States in developing and implementing programs which will help to identify and recruit students with special needs. This will include making available to States and local districts the results of research findings conducted under the research components of the Vocational Education Act. Financial and manpower resources will be made available to the States to assist them in developing data retrieval systems to facilitate the planning and evaluation of these special programs. States will sponsor workshops and meetings to familiarize those concerned with developments in this area. Special emphasis will be placed on establishing coordinated recruitment, placement, and follow-up activities with other Federal, State, and local agencies as well as with the business community for career development. Programs will utilize the cooperative education concept where applicable. In addition, local school districts will sponsor preservice and inservice staff development activities for personnel.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education: | | | |
| (c) Consumer and homemaking education.................. ... | $30,994,000 | --- | $-30,994,000 |

## Narrative

### Program Purpose

Part F of the Vocational Education Act of 1963, as amended, provides grants to States for educational programs which prepare youths and adults for the role of homemaker and wage earner and for ancillary services such as teacher training and supervision, curriculum development, program evaluation, special demonstration and experimental programs, purchase of equipment, and State administration and leadership. Youth in secondary schools, young adults in postsecondary schools and older adults, including the elderly, throughout the Nation are served with these programs. Formula grants are allocated to the States for programs in consumer and homemaking education. States must use at least one-third of the Federal funds allotted in economically depressed areas or areas with high rates of unemployment. Fifty percent matching is required except where matching is 90 percent Federal and 10 percent State and local in economically depressed areas.

### Plans for fiscal Year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

Total enrollment in FY 1973 reached 3,333,000. There has been an increase of about 50 percent in consumer and homemaking enrollment since the legislation was passed in 1968. In fiscal year 1973 alone, over 500,000 youth gained leadership skills and enriched learnings through membership in the future Homemakers of America. Postsecondary enrollments increased from 292 to 33,000 and the number of disadvantaged youth and adults in consumer and homemaking education classes increased from 18,500 to 710,000 over a three year period. Many Indian, migrant, Spanish-American, inner city and hard-to-reach families were served. Teacher competencies in all States were improved through institutes, workshops, State and/or district conferences, and regional meetings sponsored by the Office of Education. Technical assistance was provided by the Federal staff to State leaders and teacher educators through individualized assistance, regional conferences, and team visits to States as a part of a total review of vocational education.

It is anticipated that in fiscal year 1974, Federal funds will provide opportunities for youth and adults to participate in programs designed to provide them with consumer, management and life skills needed for their future as dual role homemakers and wage earners. Of the total enrollment, 2,600,000 secondary, 35,000 postsecondary, and 1,000,000 adult students will be served. Instruction in consumer education, child care/development home management, and the development of personal and family life skills will allow participants to become more employable. Teacher education and curriculum development will continue to be strengthened. Technical assistance will be made available to State and local personnel in implementing consumer and homemaking programs as a part of the total development of career education. These programs will provide career opportunities for youth and adults in such human services fields as child care, care of the elderly, consumer services and food services.

At least one-third of the funds available for this activity will be used in areas of high unemployment. Special efforts will be made to incorporate innovative approaches meeting consumer and homemaking needs in these areas.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education: | | | |
| (d) Work-study.................... | $7,849,000 | --- | $-7,849,000 |

## Narrative

### Program Purpose

Part H of the Vocational Education Act of 1963, as amended, authorizes grants to States for work-study programs which are assigned to assist economically disadvantaged full-time vocational education students, aged 15-20, to remain in school by providing part-time employment with public employers such as hospitals and State and local government agencies. States are required to give preference in funding to schools serving communities with large numbers of youth who have dropped out of school or are unemployed. Formula grants are made to the States for the development and administration of the program and for compensation of students by the local educational agency or other public agencies or institutions. Matching is 80 percent Federal and 20 percent State and local.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

In 1973, 33,000 vocational education students benefitted from participation in this program. There were increased efforts to reach the economically disadvantaged student and further reduce the number of dropouts and to directly relate to the national goals of career education. A significant contribution to these goals was made by providing financial assistance to these disadvantaged persons while they were preparing for a marketable skill. Approximately 75 percent of the funds were expended in areas with high rates of school dropouts.

A total of 36,000 economically disadvantaged vocational education students are expected to be enrolled in work-study programs in 1974. This will contribute significantly to a reduction in the number of school dropouts. These programs will provide students financial incentive to remain in school at least long enough to complete a program of occupational training leading to gainful employment. In addition to providing financial assistance to those students who would leave school for economic reasons, work-study programs will be used to implement the objectives of career education since participating students will be able to complete a program of studies qualifying them for employment. Technical assistance will be provided the States in evaluating individual work-study programs with special emphasis on extending involvement into new and emerging occupations.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education: | | | |
| (e) Cooperative education.......... | $19,500,000 | --- | $-19,500,000 |

## Narrative

### Program Purpose

Part C of the Vocational Education Act of 1963, as amended, supports programs of cooperative education which involve arrangements between schools and employers, enabling students to receive part-time vocational education instruction in the school and on-the-job training through part-time employment. Priority is given to areas where there are high rates of student dropouts and youth unemployment. Students in most cases must be 16 years of age to participate and are paid by the employer, either a statutory minimum wage or a student-learner rate established by Department of Labor regulation. Formula grants are made to the States for financial assistance for personnel to coordinate cooperative programs; to provide instruction related to work experience; to reimburse employers for certain costs; and to pay costs for certain services to students. No Federal funds are paid directly to the students for their work. Compensation due them for their period of on-the-job training is paid by the employer. Federal funds may be used for all or part of a State's expenditure for programs authorized and approved under this part.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

The fiscal year 1973 enrollment in cooperative education programs was 128,000. This represents an increase of 9,100 over the previous fiscal year. About 80 percent of the funds were estimated to have been expended in areas designated by the States as having high rates of school dropouts and youth unemployment. As one of the vehicles for implementing career education, cooperative vocational education programs continued to expand in specific fields of work, such as marketing distribution, business and office occupations, and health occupations.

During fiscal year 1974, about 147,000 students will be enrolled in cooperative education programs at an estimated shared Federal/State cost of $285.00 per student. These students will be given opportunities to combine school instruction and work experience which will prepare them to undertake further education and training or to enter into gainful employment. In addition, an estimated 600 preservice and 1,600 inservice teacher-coordinators will be trained in methodologies and curriculum development as well as guidance and counseling so that they will be better able to provide the students maximum services.

**States will continue to give priority to areas of high rates of school dropouts and youth unemployment by maintaining and installing 80 percent of their allocation under this activity in such areas. In addition, States will utilize the experience gained through cooperative arrangements in implementing career education with special emphasis on developing curriculums which have exploration objectives.**

| | 1974 Base* | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to States for vocational education: | | | |
| (f) State Advisory Councils ......... | $3,044,000 | --- | $-3,044,000 |

## Narrative

### Program Purpose

To advise State Boards of Vocational Education on the development and administration of State plans and advise the State agency on the administration of occupational education, evaluate vocational education programs, services and activities, publish and distribute the results of their evaluations; and prepare and submit an evaluation report on the vocational education programs, services, and activities carried out during the year. Section 104(b) of the Vocational Education Act requires each State to establish a State Advisory Council in order for the State to receive a grant under Title I of the Act. The Commissioner is authorized to pay to each State advisory council an amount equal to the percent of the State's allotment, but not to exceed $150,000 nor be less than $50,000 to carry out its functions. The State advisory councils shall also perform functions with respect to occupational education.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal year 1973/1974

In 1973 and 1974 the State advisory councils from all 56 States and Territories submitted reports of evaluation efforts of State vocational education programs. The State advisory councils increased their participation in the development and administration of the State plans. Some Councils contracted for independent evaluation studies.

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* Excludes 1973 appropriation restoration.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Innovation: | | | |
| (a) Innovation: | | | |
| New awards...................... | $ 1,709,600 | --- | $ -1,709,600 |
| Non-competing continuations...... | 14,290,400 | --- | -14,290,400 |
| Total.................... | 16,000,000 | --- | -16,000,000 |

## Narrative

### Program purpose

Part D of the Vocational Education Act authorizes grants to the States to stimulate and demonstrate new ways to create a bridge between school and earning a living for young people. Programs must be directed to the job preparation needs of those who end their education at or before completion of the secondary level, or who are in postsecondary vocational programs, and for exemplary and innovative programs or projects which are designed to broaden occupational aspirations and opportunities for youths, particularly disadvantaged youths, and to serve as models for use in vocational education programs. Fifty percent of each State's allotment is for use by the State Board for Vocational Education, and the remaining fifty percent is reserved by the U.S. Commissioner of Education for project grants or contracts within the State. The Act provides that funds reserved by the Commissioner shall remain available until expended and the amounts available to State Boards shall be available for obligation for two fiscal years. No matching is required.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

The Federally-administered Part D funds in fiscal year 1973 and fiscal year 1974 were used to launch or continue a total of 61 projects which were designed to demonstrate improved systems for the occupational development, the preparation and the placement of young people enrolled in Kindergarten through grade 14. Demonstration projects were operational during these years in each of the 56 States and territories. The new round of three-year projects begun in fiscal year 1973 was able to build on the prior experience of an initial round of three-year projects which were completed with fiscal year 1972 funding, and to make use of curriculum, instructional materials, and inservice training packages which emerged from curriculum efforts under Part I of the Vocational Education Act. This prior experience and completed developmental work permitted projects in fiscal year 1973 and fiscal year 1974 to concentrate on problem areas such as the junior high and senior high exploration and preparation segments as well as on improved systems of occupational guidance, counseling, and placement.

The State-administered Part D funds served to reinforce the Federally-administered efforts in fiscal year 1973 and fiscal year 1974. In fiscal year 1973, technical assistance was provided the State Boards of Vocational Education to assist them in using their portion of the Part D funding to facilitate State-wide implementation of occupational development, preparation and placement programs. The States collectively funded more than 200 projects tailored to local needs and conditions. This new three-year cycle of demonstration activities involved restructuring all facets of the educational program toward occupational development in an articulated K-14 sequence and will facilitate major institutional reform in the public schools in the United States. In fiscal year 1974, the States again, with technical assistance, continued to use their portion of the Part D funding to spread components of the K-14 occupational development and preparation models to other school districts throughout each State, with appropriate revisions and modifications to meet varying local conditions and needs. Many States have already established State-level coordination for the development and installation of articulated K-14 occupational development and preparation programs, and are using their Part D funds, along with other resources, in a planned and systematic program for the further development, refinement, and diffusion of this type of education.

Supplementary Data:

Fiscal year 1974

| | No. Projects | Amount |
|---|---|---|
| State grants | | |
| New starts.......... | 70 | $ 854,800 |
| Continuations....... | 130 | 7,145,200 |
| | 200 | 8,000,000 |
| Discretionary grants | | |
| New starts.. | 5 | 854,800 |
| Continuations....... | 56 | 7,145,200 |
| | 61 | 8,000,000 |

| | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Innovation: | | | |
| (b) Curriculum Development: | | | |
| New awards...................... | $3,260,000 | --- | $-3,260,000 |
| Non-competing continuations...... | 740,000 | --- | -740,000 |
| Total.................... | 4,000,000 | --- | -4,000,000 |

## Narrative

### Program purpose

Part I of the Vocational Education Act of 1963 authorizes the Commissioner to make grants or contracts with colleges and universities, State boards, and other public or nonprofit private agencies and institutions for curriculum development in vocational and technical education. No matching funds are required.

The curriculum development program provides for the development, testing, and dissemination of vocational education curriculum materials for use in teaching occupational subjects, including curricula for new and changing occupational fields, and vocational teacher education. It further provides for: developing standards for curriculum development in all occupational fields; coordinating the efforts of the States with respect to curriculum development and management; surveying curriculum materials produced by other agencies; evaluating vocational-technical education curriculum materials; and training personnel in curriculum development.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

In fiscal year 1973, 29 projects were awarded in the following major categories:

(1) Curriculum and career education dissemination: Six projects were supported with $75,000 for the dissemination of career education curriculum materials and seven listings of vocational curriculum materials developed by and available from the various States.

(2) Postsecondary curriculum development and evaluation: Six continuation projects were supported with $824,150 in the technological fields of nuclear-medical, laser and electro-optical, bio-medical, electro-mechanical, concrete, and allied health.

(3) Curriculum laboratories and coordination of curriculum efforts: Two State curriculum laboratories were funded totaling $360,000, one in the Northwest and one in the Eastern section of the United States; thus, with the five laboratories funded the previous year, completing the coverage of all the States.

(4) Occupational cluster development, evaluation, and testing: Ten projects were funded with $2,237,930. Three of these projects relate

to the business and office cluster, one to the marketing and distribution cluster, one to the articulation of five previously funded clusters from secondary to postsecondary, and the testing and evaluation of five previously developed clusters.

(5) Career education curriculum development: Five projects were funded with $502,920 including the publication of a special issue of Aesthetic Education, the product of a project aimed at the development of guidelines for career education in the arts; a survey of career education programs by the Chief State School Officers Association with the development of plans for their support and action with respect to their role in career education; and, curriculum modules for individualized instruction in selected areas.

A total of 20 projects were funded in fiscal year 1974. These projects provided for the development of curricula in the occupational clusters of personal services, recreation and hospitality, consumer and homemaking, and marine sciences. Provision was made for continuation of curriculum development in the three technical areas of nuclear-medical, bio-medical, and laser-optical technology. Additionally, a contract was awarded for development of curricula for paralegal occupations. A new thrust in fiscal year 1974 concerned the adaption and development of curricula for delivery through a series of films for training via television in a core of knowledges in the public services occupational cluster. The target group is adults desiring training or upgrading in this area. Two new projects were funded for the purpose of developing programs for training specialists comprehensively in all aspects of curriculum development. Supplemental funds were provided five of the seven State curriculum centers to support their role in a career education curriculum materials dissemination effort. These centers and two other curriculum centers funded in fiscal year 1973 form a national network of curriculum coordination which, through its linkages, facilitates dissemination and diffusion of curriculum products. Also, two projects were funded aimed at meeting career education needs of Spanish-speaking Migrant youth, grades K-6, and Indian youth, grades 7-9.

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* Excludes 1973 appropriation restoration.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Innovation: | | | |
| (c) Research - Grants to States: | | | |
| New awards........................ | $12,397,000 | --- | $-12,397,000 |
| Non-competing continuations...... | 5,603,000 | --- | -5,603,000 |
| Total.................... | 18,000,000 | --- | -18,000,000 |

## Narrative

### Program purpose

Part C of the Vocational Education Act of 1963, as amended, authorizes grants and contracts for research; for training programs to familiarize personnel with research results and products; developmental, experimental, or pilot programs designed to meet the special vocational needs of youths, especially disadvantaged youths; demonstration and dissemination projects; and to support the establishment and operation of State Research Coordinating Units. Funds are allocated to the States on the basis of the formula prescribed in Part A of the Act. Fifty percent is allocated for use by the State Boards of Vocational Education and the remaining 50 percent is reserved by the U.S. Commissioner of Education for direct Federal grants and contracts. Matching requirements call for 75 percent Federal and 25 percent State funding for the operation of the Research Coordinating Units, and 90 percent Federal and 10 percent State and local funding for State-administered research and development projects. No matching is stipulated for funds reserved by the U.S. Commissioner of Education; however, cost-sharing is required.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

During 1973, the States utilized approximately $2,500,000 for the maintenance and operation of their Research Coordinating Units. About $6,500,000 was used by the States to support field-initiated projects. There are about 130 such projects, including long-range, in-depth projects continued from 1972. The discretionary funds administered at the Federal level enabled each State to continue with the development, testing, and demonstration of occupational development models, to engage in adaptive curriculum development for tailoring to their own conditions the curriculum materials emerging from various Federal and State career education efforts, and to begin the diffusion of tested career education components to other school districts.

In 1974, the State will continue to use their allocations for the operation and maintenance of the State Research Coordinating Units and to support about 150 field-initiated projects. Those funds allocated for direct Federal grants and contracts by the U.S. Commissioner of Education will be used to support about 85 projects in six major areas. The approximate distribution of these discretionary funds is planned as follows:

(a) Curriculum projects - Approximately 11 projects will be funded with $670,000 to support projects that undergird vocational education curriculum development and planning.

(b) Disadvantaged, handicapped, and minority projects - Approximately ten projects will be funded with $1,000,000 to improve opportunities in vocational education for persons in these special population groups.

(c) Alternative work experience programs - About 20 projects will be supported with $2,000,000 to improve and extend various types of work experience programs for the vocational education students.

(d) Guidance, counseling, placement, and student follow-up services - Approximately 20 projects will be supported with $2,000,000 to improve the delivery of these services.

(e) Manpower information systems for education - Approximately 20 projects will be supported with $2,000,000 to improve job, manpower, labor market, and demographic data required by public, private, and proprietary education administrators, planners, evaluators, curriculum developers, career counselors, teachers, and students.

(f) Special projects - Four projects will be supported with $1.330,000. One of these will develop a baseline of information about vocational education enrollments, student characteristics, costs, and types of programs. The national Academy of Science will be supported to review and assess the impact of vocational research and development programs. Two other projects will develop spot announcements about vocational education for television programs, and disseminate research and development information and materials for use by practitioners.

Supplementary Data:

| Fiscal year 1974 | No. projects | Amount |
|---|---|---|
| State grants | | |
| New | 50 | $4,500,000 |
| Continuations | 100 | 4,500,000 |
| | 150 | 9,000,000 |
| Discretionary | | |
| New | 82 | 7,897,000 |
| Continuations | 3 | 1,103,000 |
| | 85 | 9,000,000 |

|  | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Career education:<br>New awards...................... | --- | $10,000,000 | $+10,000,000 |

## Narrative

### Program purpose

Career education has a three-fold purpose: to increase the individual's ability to make an effective career choice, improve his opportunities to enter a meaningful career, and better his chances for progress within that career. An ancillary goal is to give the individual enough flexibility to cope with shifting economic conditions during the course of his working life. Career education seeks to reform and refocus educational experiences at the elementary, secondary, and postsecondary levels so that what is taught in the classroom has a closer relationship with the student's future needs. In pursuing this effort the program will encourage curricular changes which put more emphasis on relating schooling to future job needs, thereby bringing the formal educational system into closer connection with the society in which students are to live and work. (Activities are supported under the Cooperative Research Act authority).

### Plans for fiscal year 1975

The 1975 budget provides $10,000,000 for career education demonstration and developmental assistance activities. During fiscal year 1975, developmental assistance projects will provide expertise and resources to various groups to enable them to plan and develop career education programs. Grants to State education agencies will enable them to continue planning for career education on a statewide basis and to begin implementation of plans at the local level. Further investigations of promising strategies for installing career education, based on fiscal year 1974 planning activities of the Education Division will be undertaken. Funds will be provided for a variety of such demonstration activities.

The above efforts will be coordinated with career education activities of the National Institute of Education, as well as with other career education initiatives of the Office of Education. In all of these efforts, the Education Division will seek to act as a catalyst, providing impetus and supporting resources to State and local groups interested in career education.

### Accomplishments for fiscal years 1973/1974

No funds were provided for this activity in fiscal years 1973 and 1974.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (a) Teacher corps: | | | |
| New starts.................. | $14,300,000 | $22,500,000 | $+8,200,000 |
| Noncompeting continuations... | 23,200,000 | 15,000,000 | -8,200,000 |
| Total................. | 37,500,000 | 37,500,000 | --- |

## Narrative

### Program Purpose

The dual purposes of the Teacher Corps, as stipulated in the Higher Education Act of 1965, Title V, Part B-1, are (a) to improve educational opportunities for children of low-income families, and (b) to improve the quality of programs of teacher education for both certified teachers and inexperienced teacher-interns.

This program brings teams of prospective teachers into low-income area schools as interns. After two years of internship, these trainees are eligible for certification to teach in these schools in low-income areas. It promotes the revision of training programs and teacher recruitment and selection procedures towards performance and competency bases. It promotes the differentiation of roles within the school.

### Plans for fiscal year 1975

The Teacher Corps funding request will be based in part on new Teacher Corps legislation and will also provide for the continuation of those projects that began in fiscal year 1973. For those new projects that will begin operation in the academic year 1975-76, the Teacher Corps will:

1) shift the exclusive emphasis on preservice training of interns toward inservice training of experienced educational personnel;

2) shift from two-year Teacher Corps projects to longer term projects;

3) increasingly base planning and execution of Teacher Corps projects on research findings;

4) emphasize the involvement of a critical mass of personnel within schools in the training activities so that the training effects will persist;

5) give greater attention to Teacher Corps projects in terms of planning, monitoring, documentation and evaluation so that the Teacher Corps knowledge base of what's working and what doesn't work will be improved.

6) provide technical assistance, through two or three resource centers, about new models and techniques to local Teacher Corps projects.

### Accomplishments for fiscal years 1973/1974

In fiscal year 1973, the Teacher Corps through coalitions of university, school and community thrusts provided training for approximately 4,600 interns and experienced teachers serving in 395 project sites. These arrangements permitted on-site field based instruction to occur and provided for the field testing of new ideas and concepts in teacher education. As a result of this collaborative design for change, the program directly affected some 100,000 children throughout the nation's schools among whom over one-third were from families with annual incomes of less than $3,000. In addition, at least an equal number of youngsters benefitted by Teacher Corps in-service training activities which were provided to those teachers that served them.

Projects continuing in fiscal year 1974 represented some 120 institutions of higher education and 280 local education agencies. The participant level for these activities remains at 4,200 which is slightly below the level for the previous fiscal year. Of the approximately $14,300,000 remaining for new activities in fiscal year 1974, the Teacher Corps will direct its resources toward the development of a competency model for the retraining of experienced classroom teachers in 25 percent or more of the new start projects.

## SUPPLEMENTAL FACT SHEET

### Teacher Corps

Under the proposed new legislation the program will increase its participant level significantly by including currently employed educational personnel as part of the Teacher Corps project design. Applications for the program are submitted jointly by one or more local school districts and institutions of higher education. Grant awards, however, are made separately to each. The chart below depicts a greater change in the number of estimated awards between 1974 and 1975 as compared with the previous fiscal year. The decrease in new awards for 1974 is based on a reduction of projects forthis period which will enable those programs selected to have the necessary resources to carry out program activities the first academic year and intervening summer. In FY 1975 the increase in the number of projects is a result of a reduction of continuation costs that will have already been provided for 74 programs continuing in FY 75.

### Teacher Corps Projects

| | 1973 Actual | | 1974 Estimate | | 1975 Estimate | |
|---|---|---|---|---|---|---|
| | No. of Part. | No. of Proj.* | No. of Part. | No. of Proj.* | No. of Part. | No. of Proj.* |
| New | 1,600 | 155 | 1,000 | 120 | 7,000 | 170 |
| Continuation | 3,000 | 240 | 3,200 | 280 | 1,600 | 155 |
| Total | 4,600 | 395 | 4,200 | 400 | 8,600 | 325 |

*Each Teacher Corps program is composed of a group of project grants; i.e, one to an institution of higher education (IHE) and several to local education agencies (LEA). The number of projects indicated above include both grants to IHE's and LEA's.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (1) Urban/rural school development - Noncompeting continuations........ | $11,529,000 | $6,355,000 | $-5,174,000 |

## Narrative

### Program Purpose

The purpose of this program is to provide grants to school districts to demonstrate new ways to utilize comprehensive in-service personnel development as a means to improve educational services to a target population of students from low-income families. Three types of awards are made: (1) grants to intensively retrain the entire staffs of a single school or a set of schools making up one feeder system; (2) grants for retraining of less intensive nature than (1) above but covering a larger number of schools within a district; (3) grants to establish staff development centers run by State education agencies in cooperation with local school districts and designed to provide centralized facilities for district-level inservice training. Each model emphasizes cooperation with local school/community councils in order to test the feasibility of stimulating greater citizen involvement in the educational process. Institutions of higher education also participate in each site. The program also includes special developmental assistance components designed to assist the demonstrations by providing specialized staff training materials, emphasizing performance-based methods. This forward-funded program, designed to cover a five-year period ending in FY 1976, is authorized by Part D of the Education Professions Development Act.

### Plans for fiscal year 1975

During fiscal year 1975 the urban/rural program will: (1) support 31 existing projects and programs reaching approximately 3,500 school staff and community members; (2) develop analyses of lessons learned from individual projects, based on materials now being tested for validity and usefulness, and transmit these to all State education agencies and a projected 500 school districts and institutions of higher education; and (3) develop further data on the effectiveness of total-staff inservice training techniques as a strategy for school reform in areas such as special education. In on-going projects emphasis will be placed on instiutionalizing the positive changes which the program has achieved, in order to assure permanent improvements after Federal funds are withdrawn.

The reduction in funds requested for fiscal year 1975 reflects the completion of supporting developmental assistance projects whose objectives have been met. Regular program operations will remain at the fiscal year 1974 level.

### Accomplishments for fiscal years 1973/1974

Fiscal year 1974 funds will support, on a forward funding basis, 27 operational projects and four developmental assistance projects in the third year of their five-year cycle. Five of these are type I projects, twenty are type II, four are type III and two are special projects.

In addition to the general provision of evaluative and developmental aid to individual projects, the program will accomplish the following by the end of FY 1974:

1. Completion of a variety of developmental assistance projects designed

to advance the state of the art in teacher education. These include:

- Project TREND (targeting resources to the educational needs of the disadvantaged), which was designed to develop ways to coordinate inter-agency efforts to improve the education of low-income children.
- Task Force '73 projects, designed to improve the state of the art in performance-based teacher education. As a result of this project and other support, performance-based methods have been disseminated throughout the educational system; further development of this increasingly important trend has largely been assumed by State and local agencies and institutions of higher education.
- A leadership training institute to develop teacher education protocol and training materials -- media-based efforts to illustrate important elements of teaching.
- A leadership training institute for project directors and school-community council members. Materials handbooks that will facilitiate the training of school and community staffs in methods of cooperation and program development are in the process of dissemination.

2. In fiscal year 1973, 27 operative projects and 50 development assistance projects were supported. Since fiscal year 1973, project monitoring responsibility for this program has been decentralized to the regional offices of the Department of Health, Education, and Welfare.

Since this five-year program began in fiscal year 1971, urban/rural projects and developmental assistance programs have trained an average of about 5,000 school staff and community members each year.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel:<br>(b) Other education personnel development:<br>(2) Career opportunities program<br>Noncompeting continuations......... | $22,394,000 | $1,784,000 | $-20,610,000 |

## Narrative

### Program Purpose

The career opportunities program was designed as a five-year program to demonstrate alternative career patterns within the educational system. The program emphasizes paraprofessional training methods as well as career lattices through which paraprofessionals can, in time, become fully certified educational personnel. Training has been targeted on Vietnam-era veterans and low-income and minority participants. The program has demonstrated means to involve community members more fully in the educational process at training sites and has developed modes of cooperation among related programs, State and local educational agencies, and institutions of higher education. Grants to local education agencies are authorized under Part D of the Educations Professions Development Act.

### Plans for fiscal year 1975

During fiscal year 1975 the program will provide funding for the fifth and final year for 15 projects that began operation after most COP sites were in operation. In addition, the program will be analyzed in order to:

1. gather more sophisticated data on the impact of the career opportunities program, and share this information with the National Institute of Education in order to construct research and development priorities for future efforts in teacher education; and

2. assist on-going efforts, on the local level, to institutionalize the changes which have begun as a result of the career opportunities program.

The packaging of results of case studies and data analyses for general dissemination throughout the educational system will be completed.

### Accomplishments in fiscal years 1973/1974

During fiscal year 1974 most of the projects in this program will complete their scheduled 5-year period of operation. A total of 132 demonstration projects will be supported during FY 1974, of which 117 will be in their final year of operation. These projects trained 7,488 current participants of which 5,547 (74%) are minority members. (The total number of participants since the program began is 13,477.)

## SUPPLEMENTAL FACT SHEET

## Career Opportunities Program

| | | Number of Participants |
|---|---|---|
| Total participants since program started (Including projections for 1974) | | 13,477 |
| Veterans | | 1,866 |
| Participants, 1972-1973 | | 9,358 |
| Participants, 1974-1975 (estimate) | | 7,488 |
| Black | 4,194 | |
| Chicano | 812 | |
| Puerto Rican | 249 | |
| Indian | 292 | |
| Subtotal | 5,547 | |
| White | 1,823 | |
| Others | 118 | |
| (Above total includes Veterans) | 1,585 | |

Available evidence indicates that the career opportunities program has had its greatest effect in changing institutional patterns of training and recruitment. In local education agencies which participated in the program, both acceptance of and demand for paraprofessionals has increased, while career opportunity program aides have been effective in increasing the linkages between school systems and the communities they serve. Both State education agencies and institutions of higher education have changed their certification/training requirements in order to accommodate paraprofessionals.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (3) Categorical programs | | | |
| New starts........................ | $4,623,000 | --- | $-4,623,000 |
| Competing continuations........... | 3,776,000 | --- | -3,776,000 |
| Total..................... | 8,399,000 | --- | -8,399,000 |

## Narrative

### Program Purpose

This program supports educational personnel training aimed at all levels of education and stressing the specific skills needed to improve regular classroom education, with an emphasis on personnel working with low-income children. Project grants authorized by Part D of the Education Professions Development Act are made to institutions of higher education, State educational agencies and local educational agencies to strengthen the skills of educational personnel in such areas as teaching exceptional children in regular classrooms, guidance and counseling, early childhood education, educational leadership, and use of protocol and training materials. Legislation requires that 5 percent of the funds under Part D be spent on projects to train teachers to serve children with limited English-speaking ability, and an additional 5 percent for projects preparing teachers to serve Indian children on reservations (in conjunction with the Department of the Interior).

### Plans for fiscal year 1975

No funds are requested for this categorical training program in 1975 because of the surplus of general educational personnel. Future financial support for those who desire a career in education will be available in the form of general student support under the Higher Education appropriation where major increases are proposed. Furthermore, support for training of early childhood teachers will be available from the Office of Child Development.

### Accomplishments in fiscal years 1973/1974

In 1973 and 1974, program funds were used to continue and complete projects begun in fiscal year 1972. Funds are administered on a forward-funding basis. Thirty-six grants were made to support teacher trainers in the area of early childhood education. Twenty-nine projects have been funded for training the trainers of educational personnel, reaching an estimated 5,000 participants. Grants were also made to provide advance training in educational leadership to approximately 2,000 educators. Approximately 10 projects are developing differentiated staffing patterns in school systems and approximately 1,200 persons (current teachers, people from surrounding communities, guidance counselors, and trainers of teachers) are receiving training in pupil personnel services or counseling and guidance. Within the context of these programs special emphasis has been placed on developing means to capitalize on lessons learned in past educational personnel development.

A number of one-year efforts have been undertaken during fiscal year 1974, including approximately 45 new projects to prepare teachers of children with limited English-speaking ability and approximately 29 projects to prepare teachers of Indian children. Remaining new awards are being used to extend funding for an additional, demonstration year for selected exemplary 1973 projects, as well as a small number of new one-year projects. All program activities are scheduled to end after fiscal year 1974 funding.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (4) Exceptional children | | | |
| New starts | $2,907,000 | — | $-2,907,000 |
| Competing continuations | 1,000,000 | — | -1,000,000 |
| Total | 3,907,000 | — | -3,907,000 |

## Narrative

### Program Purpose

This program trains educational leaders, regular classroom teachers and other educational personnel to deal effectively with exceptional children who are in regular, rather than special, classrooms. Projects are awarded under Part D of the Education Professions Development Act.

### Plans for fiscal year 1975

No funds are requested for this categorical training program in 1975. Financial support for persons who wish to learn to teach handicapped children will be available in the form of general student support under the Higher Education budget where substantial increases in funding are being proposed. In addition, the Education for the Handicapped appropriation provides funds, under the special education and manpower development program, for training the professional teacher in methods or educating the handicapped in the regular classroom. The training for teaching exceptional children is also an integral part of the Teacher Corps, urban/rural, and career opportunities programs, which are concentrating on school populations which come from low-income families.

### Accomplishments in fiscal years 1973/1974

Approximately 1,322 persons are participating in innovative training programs for the preparation of leadership personnel in teaching exceptional children with an emphasis in the early childhood area.

To date there have been approximately 15,000 minority people in leadership positions who have been participants in these programs. As a result of this the number of minority people moving into leadership positions has greatly increased. All projects have been in low-income areas where the incidence of handicapping conditions has been greatest. This has permitted working directly with the people most affected.

During academic year 1973-74, 16 projects will be operational with 1973 funds. One of these will produce training materials. In addition, three field-based developmental assistance centers will be funded which focus upon educational leaders and trainers of teachers and experienced personnel. The fiscal year 1974 funds will provide for 15 operational projects training approximately 1,200 participants in the teaching of exceptional children in the regular classroom. Training and protocal materials developed in prior years will be disseminated to State educational agencies and institutionsof higher education to help them in developing training for inservice educational personnel to work with exceptional children. The field-based developmental assistance centers will be supported for one additional year.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (5) Vocational education New starts | $11,268,000 | — | $-11,268,000 |

## Narrative

### Program Purpose

This activity provides support to assist State and local education agencies and institutions of higher education in strengthening their efforts in recruiting and training individuals in the areas of career and vocational education. Grants are made to those institutions of higher education which offer graduate study in a comprehensive program of vocational education approved by the State boards for vocational education. Such grants provide for cooperative arrangement training activities with schools, private business or industry, or other educational institutions. Projects are awarded under the authority of Part F of the Education Professions Development Act.

### Plans for fiscal year 1975

No funds are requested for this categorical training program in 1975. Financial assistance for those who wish to pursue a career in vocational education will be available in the form of general student support under the Higher Education budget, where major increases in funding are proposed.

### Accomplishments in fiscal years 1973/1974

Emphasis was placed on the development, implementation, and improvement of comprehensive, statewide systems for vocational education with expansion to include career education. Special efforts were made to upgrade vocational education personnel training in institutions of higher education. Under section 553 of the Education Professions Development Act, State systems received grants of a minimum of $34,000, with larger States receiving commensurately higher amounts proportionate to their unmet needs as reflected in their approved State plan for vocational education. These programs are substantially directed to support a major focus in improving the quality of ongoing and projected vocational educational programs.

The fellowship program under section 552 of the Education Professions Development Act was broadened to include a wide array of leadership development activities. The present program was continued with an emphasis on the midmanagement level. The program stressed increasing leadership capabilities in local education agencies, State departments of education, institutions of higher education and related agencies to enable them to provide for development and coordination of career education personnel development for all educational levels. At present there are seven institutions continuing their graduate level program being supported by Federal funds and a number of leadership personnel being supported with State funds.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (6) New careers in education | | | |
| New starts.................... | $286,000 | — | $-286,000 |

## Narrative

### Program Purpose

The purpose is to attract qualified persons to the field of education who ordinarily would not consider this field either or a full-or part-time basis. Artists, scientists, homemakers and others are encouraged to undertake teaching or related assignments on a part-time or temporary basis. Capable youth are attracted to the field by identifying them at a point when they are forming their first realistic career plans, in high school, and encouraging them to investigate careers in education. Awards are made under the authority of Part A, Section 504 of the Education Professions Development Act.

### Plans for fiscal year 1975

No funds are requested for this recruitment program in fiscal year 1975. In view of the general surplus of teachers at the elementary and secondary level, special Federal support for the recruitment of educational personnel cannot be justified.

### Accomplishments in fiscal years 1973/1974

In fiscal year 1973, funds were used to continue several of the projects started in 1972 as well as to sponsor dissemination activities. The following is being accomplished with fiscal year 1974 funds:

(a) An informational package on how to involve part-time homemakers, based on past experience in volunteer programs funded under section 504. This package contains a guide on how to use part-time volunteers in assisting children with learning difficulties;

(b) Completion of a manual based on the experience of all previous projects, including the recruitment of Indian parents and the recruitment of artisans, artists and scientists to work with elementary and secondary students on a part-time basis;

(c) A workshop package to demonstrate how high schools can develop programs to encourage students to enter careers in education at all levels is being disseminated;

(d) Five regional workshops for regional, State and local educational personnel as well as teacher training institutions and local organizations on recruitment are being conducted;

(e) A career education handbook has been published.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Education personnel: | | | |
| (b) Other education personnel development: | | | |
| (7) Higher education | | | |
| New fellowships.................... | $1,500,000 | --- | $-1,500,000 |
| Noncompeting continuations......... | 600,000 | --- | -600,000 |
| Total............. | 2,100,000 | --- | -2,100,000 |

Program Purpose:

Title V, Part E of the Higher Education Act of 1965 authorizes grants to and contracts with colleges and universities for the purpose of training present or prospective college teachers, administrators and educational specialists at less than the doctoral level. Funds may be used to support institutes and short-term training programs, and fellowships for full-time graduate study. Funds in support of institutes and short-term training programs cover the direct operating costs of the program, the indirect costs, and provide stipends for participants. Awards for fellowship programs provide stipends for graduate fellows and an institutional cost-of-education allowance for each student. Fellowships may not be used for graduate programs eligible for support under Title IV of the National Defense Education Act. Multi-year awards are sometimes made which provide support for programs extending over two or more years.

Plans for fiscal year 1975:

No funds were appropriated for institutes in fiscal year 1974, and none are requested for fiscal year 1975. For fellowships the fiscal year 1974 appropriation was $2,100,000; none are being requested for fiscal year 1975.

Funds are not being requested for either program in fiscal year 1975 because of the general surplus of persons available to teach at the postsecondary level. In addition, the budget requests substantial increases in student aid to enable students to finance their own education.

Accomplishments in fiscal years 1973/1974:

In fiscal year 1973, the appropriation for Part E was $8,000,000, with $5,132,000 for institutes and $2,868,000 for fellowships. Since these programs are forward-funded, the training programs are taking place in the 1973-74 academic year.

A total of 441 fellowships were awarded for academic year 1973-74, of which 92 were new, and 349 were continuation (second-year) awards from 1972-73. Of these over three-quarters were designed to prepare junior and community college personnel, and 62 percent were designed to prepare personnel to work with disadvantaged students.

In the institute program, 17 academic year institutes were supported enrolling 718 persons, and 111 short-term institutes enrolling 7,414 persons. Of the total of 8,132 persons receiving training, those preparing for junior college careers totalled 2,482.

In fiscal year 1974, funds budgeted for fellowships will permit the support of an estimated 40 programs and 322 fellowships - compared to 65 and 441, respectively, in fiscal year 1973. Of the 322 fellowships, 230 will be new and 92 continuations. The new fellowships are for one year only. All fellowship recipients are being informed that further support for this program is not being requested.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Adult education: | | | |
| (a) Grants to States.................. | $53,286,000 | --- | $-53,286,000 |

## Narrative

### Program purpose

Grants are made for the purpose of eliminating functional illiteracy among the Nation's adults by expanding educational opportunities and encouraging programs that will enable adults sixteen years of age and older to continue their education to enable them to become more employable, productive, and responsible citizens. The program is directed toward the more than 52,500,000 adults, sixteen years of age and older, who lack a twelfth grade level of education and who are not currently enrolled. The main objective is to provide programs which teach communication, computation, and social living skills to educationally disadvantaged adults and help them to overcome the barriers to meaningful employment and social growth. Grants are made to the States according to the formula specified in the Adult Education Act. State education agencies administer the program in accordance with a State plan and local communities participate by submitting proposals to the State education agency.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

Approximately 820,000 adult students sixteen years of age and older were enrolled in adult education programs throughout the country. Of these approximately 656,000 were in the priority age group of 18-44 with less than an eighth grade level of education. Approximately 139,400 of the total enrollment completed the eighth grade.

In 1974, the States will continue to provide basic skills programs for nearly 821,000 illiterate adults with funds allotted under this authority. Eighty percent of the enrollees are expected to be in the priority group, age 18-44. It is expected that at least 18 percent of the enrollees will complete the program and each will have attained an eighth grade level of competence. In order to improve motivation and enhance retention of these adults and to establish a sound educational continuum, States will be encouraged to permit those who complete the eighth grade level to continue through the twelth grade level. In order for the local agencies to direct programs to meet the needs of those adults within their respective States who are most seriously in need of literacy instruction, second and third priorities will be established for persons functioning from the fifth through the eighth grade levels and for those functioning above the eighth and through the twelth grade levels respectively.

States will be provided guidance in the collection and dissemination of data which will promote the effectiveness of the State Grant Program. Technical assistance teams will provide State agencies with developmental assistance for implementation of the strategy of teaching adults using curricula related to job skills, consumer education, and parent education.

## SUPPLEMENTAL FACT SHEET

### Adult Education--Grants to States

| | 1973 Actual | 1974 Estimate |
|---|---|---|
| Enrollment by Age: | | |
| 16-44 | 656,000 | 656,800 |
| 45-65 | 139,400 | 139,570 |
| 65 and over | 24,600 | 24,630 |
| Total enrollment | 820,000 | 821,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Adult education: | | | |
| (b) Special projects | | | |
| New awards.......................... | $3,000,000 | --- | $-3,000,000 |
| Non-competing continuations...... | 1,000,000 | --- | -1,000,000 |
| Competing continuations.......... | 3,000,000 | --- | -3,000,000 |
| Total.................... | 7,000,000 | --- | -7,000,000 |

### Narrative

#### Program purpose

The purpose of this program, authorized by the Adult Education Act, is to provide grants for special demonstration projects which involve the use of innovative methods, systems, and materials in the development of adult education programs. These projects are designed to establish adult education models which will enable persons with less than an eighth grade level of education to become literate. Projects are carried out in cooperation with other Federal, Federally assisted, State, or local programs. These projects should show unusual promise of having national significance in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies. Grants are awarded to local education agencies, or other public or private nonprofit agencies, including educational television stations. Accepted applicants must meet program criteria as expressed in annual priorities published in the Federal Register. Federal funds support up to 90 percent of the project cost.

#### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

Accomplishments for fiscal years 1973/1974

Fifty-five grants were awarded in fiscal year 1973, thirty of which were continuations. Projects funded represent comprehensive efforts which address the following tasks and curriculum areas: Indian adult education models, exemplary programs for educationally disadvantaged adults, adult secondary education models, adult education programs for educationally disadvantaged parents, and adoption and diffusion of adult education information and materials.

In fiscal year 1974, about forty demonstration grants will be awarded with a primary focus on reducing adult functional illiteracy. These grants will provide for the development of innovative communication and computational basic education models. Effective administrative practices and instructional techniques resulting from these grants will be incorporated into the State grant basic adult literacy program.

Twenty-five of the forty grants will continue efforts from fiscal year 1973 and will include dissemination and utilization delivery systems. One of these, the Adult Performance Level project (APL) will develop literacy definitions for utilization in standardized measuring instruments which will assist in the development of instructional materials to accommodate illiterate adults. The materials will be developed in the context of survival literacy skills required by our industrial society. Other projects will focus on the identification of curriculum components which provide maximum impact and services for illiterate adults, including innovative recruitment and retention techniques.

Supplementary Data:

| | 1973 Actual | 1974 Estimate |
|---|---|---|
| Special projects: | | |
| Number of awards: | | |
| New | 25 | 15 |
| Noncompeting continuations | 3 | 6 |
| Competing continuations | 27 | 19 |
| Total | 55 | 40 |
| Average cost | $127,273 | $175,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Adult education: | | | |
| (c) Teacher training: | | | |
| New awards...................... | $ 607,000 | --- | $ -607,000 |
| Non-competing continuations.... | 2,181,000 | --- | -2,181,000 |
| Competing continuations........ | 212,000 | --- | -212,000 |
| Total.................. | 3,000,000 | --- | -3,000,000 |

## Narrative

### Program purpose

This program, authorized by the Adult Education Act, supports projects to promote and coordinate the training of personnel who work or are preparing to work in adult education. The primary purpose of teacher training projects is to develop resources for increasing the scope and effectiveness of adult education as part of the State grant program. Grants are awarded to institutions of higher education, State or local education agencies, or other public or nonprofit agencies for preservice and inservice training and development of adult education personnel.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

Phase II of the regional staff development programs was funded in fiscal year 1973. During this second year of the project, the training designs were implemented. This involved the establishment of a graduate department of adult education at one or more universities in each State. Regional planning meetings were held at least quarterly to determine the extent that the training met the needs of the trainees and consequently increased classroom performance and student achievement gains were realized. Developing minority leadership personnel was an important component of the second phase of the staff development models. During fiscal year 1973, six other national training institutes were funded. These institutes provided training for adult education personnel in planning and evaluating career-based adult basic education programs in correctional institutions, for Indian Tribal leadership, for programs to teach deaf adults, to assess national training needs and formulate priorities, to teach English as a second language, for training institutes for adult education planners, for curriculum supervisors and for a regional approach to diffusion and adoption of adult education information.

Of the $3,000,000 allotted for teacher training projects in fiscal year 1974, $2,500,000 has been earmarked for the final phase of Federal funding of the nine regional adult education staff development programs. It is expected that training opportunities will be offered to approximately 20,000 individuals through these programs. During this phase, extensive effort will be devoted to evaluation of the training programs to assure that the training is responsive to State and local needs. In addition, plans will be made to develop financial arrangements between State governments and the sponsors of the training in order to institutionalize the system without Federal funds.

The remaining $500,000 will support five national institutes--two continuations from 1973 and three new--in cooperation with participating institutions of higher education. These institutes will focus on meeting national training needs and will provide specialized personnel training for the regional models. Training opportunities will be available for approximately 450 individuals in these national institutes.

Supplementary Data:

| | 1973 Actual | 1974 Estimate |
|---|---|---|
| Teacher training: | | |
| Number of awards: | | |
| New | 6 | 3 |
| Noncompeting continuations | 9 | 9 |
| Competing continuations | - | 2 |
| Total | 15 | 14 |
| Average cost | $200,000 | $214,286 |

| | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Dropout Prevention:<br>Non-competing continuations........ | $4,000,000 | --- | $-4,000,000 |

## Narrative

### Program Purpose

Title VIII of the Elementary and Secondary Education Act authorizes a discretionary grant program which provides Federal funds directly to local school districts. It is designed to develop demonstration model programs, in selected public elementary and secondary schools, for reducing the number of students who leave school before high school graduation. The schools in which projects are located have excessive school dropout rates and large numbers of disadvantaged students. Models which are effective in these locations can be replicated by other school systems which have high dropout rates.

### Plans for fiscal year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted for separately.

### Accomplishments for fiscal years 1973/1974

During fiscal year 1973, 19 dropout prevention projects funded in 1972 were continued at a cost of $8,375,000 with the remaining $125,000 funding 2 new short-term dropout prevention projects for Mexican-American students. In 1974, nine dropout prevention projects will be continued for their fourth operational year. No new projects are planned to be awarded.

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* Excludes 1973 appropriation restoration.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Ethnic heritage studies: | | | |
| New starts............................ | $2,375,000 | --- | $-2,375,000 |

## Narrative

### Program Purpose

The purpose of this program is to provide for a greater understanding of the contributions of one's own ethnic heritage and the ethnic heritage of others to intercultural understanding and enrichment among the culturally diverse population of the United States in order to "contribute to a more harmonious, patriotic, and committed populace." The ethnic heritage studies program authorizes the Commissioner of Education to make grants to and contracts with public and private nonprofit educational agencies, institutions, and organizations to assist them in planning, developing, establishing, and operating ethnic heritage studies programs.

### Plans for fiscal year 1975

Although no funds are requested for this program in fiscal year 1975, a number of those activities funded in fiscal year 1974 which proved most successful can be funded under other educational authorities. Curriculum development, for example, can be developed and disseminated by the National Institute of Education and the Office of Education within their present authorities. Assistance is provided in the 1975 budget for bilingual-bicultural programs benefitting several ethnic groups. Assistance is also provided for developing institutions of higher education enrolling large numbers of minority students. These institutions are able to provide special programs in ethnic studies.

### Accomplishments for fiscal years 1973/1974

In fiscal year 1974, it is expected that approximately 30 to 40 projects will be funded at an average cost of about $65,000. Program activities will take place during academic year 1974-75. Emphasis will be placed on multi-ethnic endeavors that draw on the cultural pluralism of the community; on school, university, and community cooperation; and on grantee commitment to program continuation. All projects will include an appropriate balance of curriculum development, dissemination, and teacher training activities.

## SUPPLEMENTAL FACT SHEET

### Ethnic Heritage Studies

The 30 to 40 ethnic heritage projects will be expected to:

(1) develop curriculum materials for use in elementary and secondary schools and institutions of higher education relating to ethnic heritage studies;

(2) disseminate curriculum materials to permit their use in elementary and secondary schools and institutions of higher education throughout the Nation;

(3) provide training for persons using, or preparing to use these curriculum materials;

(4) cooperate with persons and organizations with a special interest in the ethnic groups with which the program is concerned to assist them in promoting, encouraging, developing, or producing programs or other activities which relate to the history, culture, or traditions of the various ethnic groups that make up these United States.

OFFICE OF EDUCATION

Occupational Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education

(a) Basic vocational education programs (VEA, Part B)

| | | 1975 | |
|---|---|---|---|
| | 1974 | Authorization | Budget Estimate |
| Annual.... | $405,347,000 | $504,000,000 | $ --- |
| Permanent. | 7,161,455 | 7,161,455 | --- |

Purpose: Authorizes grants to assist States in maintaining, extending, and improving existing vocational education programs and to develop new programs in vocational education.

Explanation: Matching grants are made to the States on a formula basis for vocational education programs, including the construction and remodeling of facilities. Forty percent of each State's allotment must be set-aside for specific purposes: (1) 15 percent for disadvantaged;(2) 10 percent for handicapped; and (3) 15 percent for postsecondary programs. State-wide matching is required on a dollar-for-dollar basis.

Accomplishments in 1974: An estimated 9,545,000 students are enrolled in basic vocational education programs in 1974.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

(b) Programs for students with special needs
(VEA, Section 102(b))

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $20,000,000 | $60,000,000 | $ --- |

Purpose: Provides grant support for programs for persons who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the regular vocational education programs.

Explanation: Formula grants are made to the States based on population by age groups and per capita income. No matching is required.

Accomplishments in 1974: In fiscal year 1974, 234,000 disadvantaged students were provided special services to help them succeed in their career preparation.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education

(c) Consumer and homemaking education (VEA, Part F)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $30,994,000 | $50,000,000 | $ --- |

Purpose: To meet the need of today's families, especially those in economically depressed areas. Emphasis is placed on programs that aid these people in their relationship with the marketplace; programs dealing with concepts of credit; how to understand contracts, warranties, or guarantees; use of Federally donated foods or buying with food stamps; the use of supermarkets, credit unions and banks.

Explanation: Formula grants are made to the States for programs in consumer and homemaking education. States must use at least one-third of the Federal funds allotted in economically depressed areas or areas with high rates of unemployment. Fifty percent matching is required except in economically depressed areas or areas with high rates of unemployment where matching is 90 percent Federal - 10 percent matching.

Accomplishments in 1974: In fiscal year 1974, an estimated 3,635,000 youth and adults are enrolled in consumer and homemaking education programs. This is an increase of 302,000 enrollees over the 1973 level.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

(d) Work-study (VEA, Part H)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $7,849,000 | $55,000,000 | $ --- |

Purpose: Supports State projects that help young people ages 15-20 begin or continue vocational training by providing them with part-time employment to pay educational costs.

Explanation: Formula grants are made to the States for the development and administration of the program and for compensation of students by the local educational agency or other public agencies or institutions. Federal funds may be used to pay 80 percent of the States' expenditures.

Accomplishments in 1974: The 1974 appropriation resulted in preventing 35,000 economically disadvantaged vocational education students from dropping out of school.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Grants to States for vocational education

(e) Cooperative education (VEA, Part G)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $19,500,000 | $75,000,000 | $ --- |

Purpose: Supports cooperative education programs which combine work experience with formal education. Funds are used for supervisory and other costs of instruction. Local school districts arrange with private industry or public agencies for employment related to student vocational objectives; employers pay wages equal to the value of work produced.

Explanation: Formula grants are made to the States for financial assistance for personnel to coordinate cooperative programs; to provide instruction related to work experience; to reimburse employers for certain costs; and to pay costs for certain services to students. No Federal funds are paid directly to the students for their work. Compensation due them for their period of on-the-job training is paid by the employer. Federal funds may be used for all or part of a State's expenditure for programs authorized and approved under this part.

Accomplishments in 1974: The fiscal year 1974 enrollment for cooperative education was 147,000. About 80 percent of the funds were expended in areas designated by the States as having high rates of school dropouts and youth unemployment.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

(f) State Advisory Councils (VEA, section 104(b))

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $3,044,000 | Indefinite | $ --- |

Purpose: To advise State Boards of Vocational Education on the administration of State plans; evaluate vocational education programs, services, and activities; and prepare and submit an evaluation report on the vocational education programs carried out during the year.

Explanation: Section 104(b) of the Vocational Education Act of 1963 requires each State to establish a State Advisory Council in order for the State to receive a grant under Title I of the Act. The State Councils must be established prior to the beginning of the fiscal year in which the State plans to participate in Federal vocational education programs.

Accomplishments in 1974: In fiscal year 1974, the State Advisory Councils from all 56 States and territories submitted reports of evaluation efforts of State vocational education programs.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Innovation

(a) Innovation (VEA, Part D)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $16,000,000 | $75,000,000 | $ --- |

Purpose: To develop, establish, and operate exemplary and innovative occupational education programs or projects designed to serve as models for use in vocational education programs.

Explanation: Grants are allocated on a formula basis. Fifty percent of each State's allotment is for use by the State agency under its State plan and fifty percent is for direct grants by the Commissioner of Education. No matching is required.

Accomplishments in 1974: In fiscal year 1974, 61 projects were initiated under the Commissioner's funding authority. These projects represent a new three-year cycle of demonstration activities involving a restructuring of all facets of the educational program toward career development in an articulated K-14 sequence. These efforts will facilitate major institutional reform in the public schools in the United States. A total of 200 projects were funded under the State administered authority.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grants legislative program.

(b) Curriculum Development (VEA, Part I)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $4,000,000 | $10,000,000 | $ --- |

Purpose: To develop curricula for new and changing occupations. Projects include printing and dissemination of guides, development of special curriculum and instructional materials for the handicapped and disadvantaged, development of supportive teacher and student materials, preparation of teaching aides for existing curricula and training teachers in effective uses of new curriculum materials.

Explanation: Project grants are made to colleges and universities, State boards, and other public and nonprofit private agencies, institutions and organizations for the development of program planning guides for the States and to support the development of models for the evaluation of vocational and technical education.

Accomplishments in 1974: In fiscal year 1974, 20 projects were funded for curriculum development activities.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

## OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

### Program Purpose and Accomplishments

Activity: Innovation

(c) Research (VEA, Part C)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $18,000,000 | $56,000,000 | $ --- |

Purpose: Supports activities of State research coordinating units and other agencies and institutions in the development of programs and projects designed to meet the research needs of vocational education.

Explanation: Grants are awarded on a formula basis under Part C of the Vocational Education Act of which fifty percent is for use by the State agency and fifty percent is for direct grants by the Commissioner of Education. Matching is 75 percent Federal and 25 percent State and local for the research coordinating units, and 90 percent Federal and 10 percent State and local for State projects. No matching is required for funds reserved by the Commissioner.

Accomplishments in 1974: In fiscal year 1974, 85 projects were supported under the Commissioner's funding authority and 150 projects under the State agencies authority for a total of 235 projects.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grants legislative program.

## OFFICE OF EDUCATION

## Occupational, Vocational, and Adult Education

## Program Purpose and Accomplishments

Activity: Career Education - Installation and Demonstration

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ --- | $ 1/ | $10,000,000 |

1/ The Cooperative Research Act authorizes this and various other programs at a level of $78,000,000.

Purpose: Funds are provided to install and demonstrate career education programs directed toward systematic reform of the structure of the educational enterprise so that students can be more successfully prepared to earn a living upon completion of school.

Explanation: The Cooperative Research Act authorizes the Commissioner of Education to make grants to universities and colleges and other public or private agencies, institutions, and organizations and to individuals, for research surveys, and demonstrations in the field of education, for dissemination of information derived from educational research; and to assist the designated organizations in providing training in research in the field of education.

Accomplishments in 1974: No funds were provided for this activity in fiscal year 1974.

Objectives for 1975: During fiscal year 1975, contracts or grants will be awarded to initiate a small number of career education installation-demonstration projects. In coordination with the National Institute of Education, a dissemination strategy will be planned and implemented.

## OFFICE OF EDUCATION

## Occupational, Vocational, and Adult Education

## Program Purpose and Accomplishments

Activity: Education Personnel

(a) Teacher Corps (EPDA, Part B-1)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $37,500,000 | $ 1/ | $37,500,000 |

1/ Amount of $450,000,000 is authorized for the Education Professions Development Act of which $37,500,000 or 25 percent, whichever is greater, is authorized for EPDA.

Purpose: (1) To improve educational opportunities for children of low income families, and (2) to improve the quality of programs of teacher education for both certified teachers and inexperienced teacher interns.

Explanation: The program brings together teams of experienced teachers and inexperienced teacher interns for the purpose of strengthening the educational opportunities of children residing in areas having concentrations of low income families. The program further promotes the revision of training programs which will enable institutions of higher education to broaden their programs of teacher preparation.

Accomplishments in 1974: The program has directly affected some 100,000 children throughout the Nation's schools of whom over one third were from families who have annual incomes of less than $3,000. Approximately 120 institutions of higher education in 280 local education agencies received federal support under this program during this fiscal year. In addition, the Teacher Corps has identified at least 3 sites around the country which are directing their efforts towards assisting state education agencies to improve licensing and training systems which relate to Teacher Corps models designed for institutional change.

Objectives for 1975: The Teacher Corps request for FY 1975 is based in part on continuation costs for programs which began in FYs 1973 and 1974, and for new projects designed for teacher interns as well as other education personnel currently employed within a Teacher Corps site.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel

(b) Other education personnel development

(1) Urban/rural school development program (EPDA, Part D)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $11,529,000 | $ 1/ | $6,355,000 |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act

Purpose: The urban/rural program is a forward-funded program designed to develop and demonstrate training alternatives that enable educational personnel to improve educational services for children from low-income families.

Explanation: The Commissioner is authorized to award grants or contracts to local educational agencies, State educational agencies, and institutions of higher education.

Accomplishments in 1974: In fiscal year 1974, 31 projects and programs are being funded for the third year of a five-year cycle of activities. Other projects, in their final year of funding, include TREND, the needs assessment, and the leadership training institute and materials development projects.

Objectives for 1975: Support will continue for 31 existing operational projects and programs reaching approximtely 3,500 school staff and community members. These projects will be enhanced by the addition of practices and experience gained from the projects phased out in 1974.

## OFFICE OF EDUCATION

## Occupational, Vocational, and Adult Education

## Program Purpose and Accomplishments

Activity: Education Personnel

(b) Other education personnel development

(2) Career opportunities (EPDA, Part D)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $22,394,000 | $ 1/ | $1,784,000 |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: The Career Opportunities program was designed as a five-year demonstration program to develop teacher training alternatives for low-income and Vietnam-era participants to qualify them for a variety of educational careers from paraprofessionals to fully certified classroom teachers, administrators and/or teacher trainers.

Explanation: The Commissioner is authorized to make grants to or contracts with local educational agencies, State educational agencies, and institutions of higher education.

Accomplishments in 1974: Extensive developmental assistance is being rendered projects to assess the effectiveness of program management and to gather and disseminate data on graduates of the programs.

Objectives for 1975: Support will be given up to 15 sites to continue training for about 1,400 participants in this the final year of Federal support.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(3) Categorical programs (EPDA, Part D)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $8,399,000 | $ 1/ | $ --- |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: This program provides for educational personnel development projects aimed at all levels and stressing particular skills needed to improve services to children in regular classrooms, with an emphasis on low-income children, children in bilingual schools, and Indian children.

Explanation: Grants are made to institutions of higher education, State educational agencies, and local education agencies to strengthen skills of existing educational personnel in such areas as teaching exceptional children in regular classrooms, guidance and counseling, early childhood education, educational leadership, and knowledge and use of protocol and training materials.

Accomplishments in 1974: In fiscal year 1974, 75 grants were awarded to provide training for approximately 8,200 persons in educational personnel development.

Objectives for 1975: No funds are requested for this categorical training program in 1975. Financial support will be available in the form of general student support under the higher education appropriation.

### OFFICE OF EDUCATION

### Occupational, Vocational, and Adult Education

### Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(4) Exceptional children (EPDA, Part D)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $3,907,000 | $ 1/ | $ --- |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: This program trains educational leaders, regular classroom teachers, and other educational personnel to deal effectively with exceptional children who are in regular, rather than special, classrooms.

Explanation: The Commissioner is authorized to make grants to State and local educational agencies and institutions of higher education to carry out the above activities.

Accomplishments in 1974: Approximately 1,200 persons participated in innovative training programs for the preparation of leadership personnel in teaching exceptional children with an emphasis in the early childhood area.

Objectives for 1975: No funds are requested for this categorical training program in 1975. Financial support will be available in the form of general student support under the higher education appropriation and the education for the handicapped appropriation.

## OFFICE OF EDUCATION

## Occupational, Vocational, and Adult Education

### Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(5) Vocational education (EPDA, Part F)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $11,268,000 | $ 1/ | $ --- |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: This activity provides support to assist State and local education agencies and institutions of higher education in strengthening their efforts in recruiting and training individuals for the broad aspects of career and vocational education.

Explanation: Grants are made to institutions of higher education that offer graduate study in a comprehensive program of vocational education that is approved by the State boards for vocational education, for cooperative arrangement training activities with schools, private business or industry, or other educational institutions.

Accomplishments in 1974: Emphasis was placed on the development, implementation, and improvement of comprehensive, statewide systems for vocational education with expansion to include career education. Special efforts were made to upgrade vocational education personnel training in institutions of higher education.

Objectives for 1975: No funds are requested for this categorical training program in 1975. Financial support will be available in the form of general student support under the higher education appropriation.

## OFFICE OF EDUCATION

## Occupational, Vocational, and Adult Education

### Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(6) New careers in education (EDPA, section 504)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $286,000 | $ 1/ | $ --- |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: This program is designed to attract qualified and diverse persons to the field of education who ordinarily would not consider this field either on a full-time or part-time basis.

Explanation: The Commissioner is authorized to make grants to or contracts with State or local educational agencies, institutions of higher education, or other public or nonprofit agencies, organizations or institutions, and to enter into contracts with private agencies, institutions, or organizations.

Accomplishments in 1974: Funds appropriated in 1974 are being used to disseminate informational packages on using volunteers and conduct workshops on educational careers. A manual on previous project experience will be completed as will a handbook on career education.

Objectives for 1975: No funds are requested for this program in 1975.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Education Personnel
(b) Other education personnel development
(7) Higher education development (EPDA, Part E)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $2,100,000 | $ 1/ | $ --- |

1/ An amount of $450,000,000 is authorized for the Education Professions Development Act.

Purpose: Funds are provided to support institutes and short-term training programs for the purpose of training present or prospective college teachers, administrators, and educational specialists at less than a Ph.D. level.

Explanation: Grants and contracts are made with colleges and universities to cover the direct and indirect costs of operating the programs and provide stipends for participants.

Accomplishments in 1974: Support in 1974 is concentrating on the preparation of representatives from minority groups including women for important positions in higher education and on training student financial aid officers.

Objectives for 1975: No funds are being requested to support institutes and short-term training programs in fiscal year 1975. Financial support will be available in the form of general student support under the higher education appropriation.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Adult Education - Grants to States (Adult Education Act)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $53,286,000 | $ 1/ | $ --- |

1/ Authorization expired June 30, 1973. Funding for fiscal year 1974 is authorized by the General Education Provisions Act, Section 413(c). Legislation is to be proposed as part of the Education Grants Consolidation.

Purpose: Funds are used for the purpose of eliminating functional illiteracy among the Nation's adults by providing educational opportunities that will enable adults 16 years and older with a limited education to continue their education.

Explanation: Grants are made to the States according to the formula specified in the Act. State education agencies administer the program in accordance with a State plan. Local communities participate by submitting proposals to the State education agency.

Accomplishments in 1974: in fiscal year 1974, 821,000 adults are enrolled in adult education classes.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

Activity: Adult Education: Special Projects (Adult Education Act, Section 309)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $7,000,000 | $ 1/ | $ --- |

1/ Authorization expired June 30, 1973. Funding for fiscal year 1974 is authorized by the General Education Provisions Act, Section 413(c). Legislation is to be proposed as a part of the Education Grants Consolidation.

Purpose: The purpose of this program is to provide grants for special demonstration projects which involve the use of innovative methods, systems, and materials in the development of adult education programs.

Explanation: Grants are awarded to local education agencies or other public or private nonprofit agencies, including educational television stations. Applicants must meet legislative criteria. Federal funds can support up to 100 percent of the project cost, but wherever feasible a non-Federal contribution of at least 10 percent is encouraged.

Accomplishments in 1974: In fiscal year 1974, forty demonstration grants will be awarded of which 25 will be continuations and 15 will be new projects focusing on the maximum impact and services for illiterate adults.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Adult Education: Teacher Training (Adult Education Act, Section 309)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $3,000,000 | $ 1/ | $ --- |

1/ Authorization expired June 30, 1973. Funding for fiscal year 1974 is authorized by the General Education Provisions Act, section 413(c). Legislation is to be proposed as part of the Education Grants Consolidation.

Purpose: This program supports projects to promote and coordinate the training of personnel who work or are preparing to work in adult education.

Explanation: Grants are awarded to institutions of higher education, State or local education agencies, or other public or nonprofit agencies for preservice and inservice training and development of adult education personnel.

Accomplishment in 1974: Continuation of the regional staff development program is planned at a cost of $2,500,000. In addition, it is expected that $500,000 in new funds will be used to support training opportunities for about 450 individuals in national institutes.

Objectives for 1975: In fiscal year 1975, this activity will be included in a new consolidated education grant legislative program.

Activity: Dropout prevention (ESEA, Title VIII)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $4,000,000 | $ 1/ | $ --- |

1/ Included in the proposed Education Grants Consolidation.

Purpose: This program is designed to develop demonstration model programs in selected public elementary and secondary schools for reducing the number of students who leave school before high school graduation. Successful models can be replicated by other school systems which have high dropout rates.

Explanation: Applications are submitted by local education agencies with the approval of their appropriate State education agency. Applications are reviewed against a set of criteria established by legislative authority.

Accomplishments in 1974: Nine dropout prevention projects will be continued for their fourth and final operational year.

Objectives for 1975: This activity is included in the new consolidated education grant legislative program.

OFFICE OF EDUCATION

Occupational, Vocational, and Adult Education

Program Purpose and Accomplishments

Activity: Ethnic Heritage Program (ESEA, Title IX)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $2,375,000 | $ --- | $ --- |

Purpose: The purpose of this program is to provide for a greater understanding of the contributions of one s own heritage and the heritage of other Americans in order "to contribute to a more harmonious, patriotic, and committed populace."

Explanation: Funding criteria, program regulations and guidelines are being developed for the fiscal year 1974 grant program.

Accomplishments in 1974: It is expected that approximately 30-40 grants at an average unit cost of $65,000 will be awarded.

Objectives for 1975: No fiscal year 1975 funds are requested for ethnic heritage Studies. Other education authorities allow for ethnic heritage studies without the funding of this particular categorical program.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Basic Vocational Education Programs

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $433,843,455 | $412,508,455 1/ | $ --- |
| Alabama | 8,894,915 | 8,462,395 | --- |
| Alaska | 571,285 | 553,162 | --- |
| Arizona | 4,170,946 | 4,015,940 | --- |
| Arkansas | 4,750,644 | 4,499,122 | --- |
| California | 36,223,316 | 34,929,859 | --- |
| Colorado | 5,121,984 | 4,865,496 | --- |
| Connecticut | 4,835,336 | 4,616,707 | --- |
| Delaware | 1,015,316 | 970,051 | --- |
| Florida | 14,263,816 | 13,568,396 | --- |
| Georgia | 11,589,536 | 10,856,878 | --- |
| Hawaii | 1,580,477 | 1,435,166 | --- |
| Idaho | 1,844,001 | 1,783,328 | --- |
| Illinois | 19,156,165 | 18,227,429 | --- |
| Indiana | 11,205,932 | 10,665,305 | --- |
| Iowa | 6,141,325 | 5,859,433 | --- |
| Kansas | 4,906,246 | 4,575,798 | --- |
| Kentucky | 8,356,745 | 7,927,385 | --- |
| Louisiana | 9,634,482 | 9,158,353 | --- |
| Maine | 2,407,853 | 2,312,948 | --- |
| Maryland | 7,530,663 | 7,206,062 | --- |
| Massachusetts | 10,508,755 | 10,032,230 | --- |
| Michigan | 17,770,756 | 16,891,829 | --- |
| Minnesota | 8,259,030 | 7,891,817 | --- |
| Mississippi | 5,840,599 | 5,563,298 | --- |
| Missouri | 10,039,438 | 9,586,984 | --- |
| Montana | 1,706,745 | 1,627,264 | --- |
| Nebraska | 3,253,606 | 3,071,651 | --- |
| Nevada | 820,744 | 798,977 | --- |
| New Hampshire | 1,617,550 | 1,558,184 | --- |
| New Jersey | 11,647,810 | 11,314,376 | --- |
| New Mexico | 2,684,255 | 2,619,802 | --- |
| New York | 28,878,176 | 27,186,917 | --- |
| North Carolina | 13,747,642 | 12,792,009 | --- |
| North Dakota | 1,632,557 | 1,556,006 | --- |
| Ohio | 21,835,640 | 20,921,022 | --- |
| Oklahoma | 6,254,442 | 5,925,792 | --- |
| Oregon | 4,642,069 | 4,486,204 | --- |
| Pennsylvania | 23,995,727 | 22,762,566 | --- |
| Rhode Island | 1,994,740 | 1,913,720 | --- |
| South Carolina | 7,272,221 | 6,857,791 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate |
|---|---|---|---|
| South Dakota | 1,713,728 | 1,651,573 | --- |
| Tennessee | 10,071,364 | 9,541,343 | --- |
| Texas | 26,797,861 | 25,472,710 | --- |
| Utah | 2,939,945 | 2,840,131 | --- |
| Vermont | 1,070,605 | 1,023,256 | --- |
| Virginia | 11,148,992 | 10,439,095 | --- |
| Washington | 7,024,477 | 6,827,023 | --- |
| West Virginia | 4,442,875 | 4,185,719 | --- |
| Wisconsin | 9,818,113 | 9,384,839 | --- |
| Wyoming | 781,354 | 734,611 | --- |
| District of Columbia | 1,315,653 | 1,197,578 | --- |
| American Samoa | 82,768 | 66,865 | --- |
| Guam | 308,980 | 213,214 | --- |
| Puerto Rico | 7,331,294 | 6,723,560 | --- |
| Trust Territory | 238,431 | 140,508 | --- |
| Virgin Islands | 153,528 | 218,778 | --- |

1/ Estimated distribution based on fiscal year 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, and 25-65 population age groups, with a minimum amount of $10,000 on the total amount for Part B and Part C. Population age groups are as of 7/1/71 for the 50 States and D.C., and as of 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

## Occupational, Vocational, and Adult Education Programs for Students with Special Needs

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $29,898,000 | $20,000,000[1/] | $ --- |
| Alabama | 613,090 | 410,085 | --- |
| Alaska | 39,376 | 26,806 | --- |
| Arizona | 287,487 | 194,611 | --- |
| Arkansas | 327,442 | 218,026 | --- |
| California | 2,496,727 | 1,692,691 | --- |
| Colorado | 353,038 | 235,781 | --- |
| Connecticut | 333,281 | 223,724 | --- |
| Delaware | 69,982 | 47,009 | --- |
| Florida | 983,147 | 657,521 | --- |
| Georgia | 798,820 | 526,124 | --- |
| Hawaii | 104,777 | 69,547 | --- |
| Idaho | 127,099 | 86,419 | --- |
| Illinois | 1,320,356 | 883,296 | --- |
| Indiana | 772,379 | 516,838 | --- |
| Iowa | 423,297 | 283,947 | --- |
| Kansas | 338,168 | 221,742 | --- |
| Kentucky | 575,996 | 384,160 | --- |
| Louisiana | 664,066 | 443,811 | --- |
| Maine | 165,964 | 112,085 | --- |
| Maryland | 519,058 | 349,204 | --- |
| Massachusetts | 724,326 | 486,159 | --- |
| Michigan | 1,224,865 | 818,574 | --- |
| Minnesota | 569,260 | 382,436 | --- |
| Mississippi | 402,568 | 269,597 | --- |
| Missouri | 691,977 | 464,583 | --- |
| Montana | 117,638 | 78,857 | --- |
| Nebraska | 224,257 | 148,852 | --- |
| Nevada | 56,570 | 38,719 | --- |
| New Hampshire | 111,491 | 75,509 | --- |
| New Jersey | 802,835 | 548,292 | --- |
| New Mexico | 185,015 | 126,955 | --- |
| New York | 1,990,457 | 1,317,471 | --- |
| North Carolina | 947,569 | 619,897 | --- |
| North Dakota | 112,525 | 75,403 | --- |
| Ohio | 1,505,042 | 1,013,827 | --- |
| Oklahoma | 431,094 | 287,162 | --- |
| Oregon | 319,958 | 217,400 | --- |
| Pennsylvania | 1,653,928 | 1,103,066 | --- |
| Rhode Island | 137,489 | 92,739 | --- |
| South Carolina | 501,245 | 332,327 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 118,120 | 80,034 | --- |
| Tennessee | 694,179 | 462,371 | --- |
| Texas | 1,847,067 | 1,234,400 | --- |
| Utah | 202,639 | 137,631 | --- |
| Vermont | 73,792 | 49,587 | --- |
| Virginia | 768,454 | 505,875 | --- |
| Washington | 484,169 | 330,835 | --- |
| West Virginia | 306,228 | 202,839 | --- |
| Wisconsin | 676,723 | 454,787 | --- |
| Wyoming | 53,855 | 35,598 | --- |
| District of Columbia | 90,683 | 58,035 | --- |
| American Samoa | 10,000 | 10,000 | --- |
| Guam | 16,098 | 10,333 | --- |
| Puerto Rico | 505,317 | 325,823 | --- |
| Trust Territory | 16,434 | 10,602 | --- |
| Virgin Islands | 10,583 | 10,000 | --- |

[1] Estimated distribution of funds under provisions of P.L. 90-576, Title I, Part A, Sec. 103(a)(2) and (b), based on fiscal year 1974 estimated State products of (1) FY 1974 allotment ratios, with limits of .60 and .40 and (2) the 15-19, 20-24, 25-65 population age groups, with a minimum amount of $10,000. Population age groups are as 7/1/71 for the 50 States and D.C.; 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Consumer and Homemaking Education

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $38,322,000 | $30,994,000[1] | $ --- |
| Alabama | 785,891 | 635,724 | --- |
| Alaska | 50,474 | 41,555 | --- |
| Arizona | 368,515 | 301,691 | --- |
| Arkansas | 419,733 | 337,990 | --- |
| California | 3,200,434 | 2,624,047 | --- |
| Colorado | 452,542 | 365,513 | --- |
| Connecticut | 427,215 | 346,822 | --- |
| Delaware | 89,706 | 72,873 | --- |
| Florida | 1,260,249 | 1,019,303 | --- |
| Georgia | 1,023,969 | 815,605 | --- |
| Hawaii | 134,309 | 107,815 | --- |
| Idaho | 162,923 | 133,970 | --- |
| Illinois | 1,692,503 | 1,369,306 | --- |
| Indiana | 990,076 | 801,213 | --- |
| Iowa | 542,604 | 440,180 | --- |
| Kansas | 433,481 | 343,750 | --- |
| Kentucky | 738,342 | 595,531 | --- |
| Louisiana | 851,234 | 688,006 | --- |
| Maine | 212,740 | 173,757 | --- |
| Maryland | 665,356 | 541,344 | --- |
| Massachusetts | 928,479 | 753,655 | --- |
| Michigan | 1,570,098 | 1,268,972 | --- |
| Minnesota | 729,708 | 592,860 | --- |
| Mississippi | 516,033 | 417,934 | --- |
| Missouri | 887,013 | 720,206 | --- |
| Montana | 150,795 | 122,245 | --- |
| Nebraska | 287,465 | 230,752 | --- |
| Nevada | 72,514 | 60,022 | --- |
| New Hampshire | 142,915 | 117,056 | --- |
| New Jersey | 1,029,117 | 849,974 | --- |
| New Mexico | 237,162 | 196,808 | --- |
| New York | 2,551,469 | 2,042,372 | --- |
| North Carolina | 1,214,643 | 960,979 | --- |
| North Dakota | 144,241 | 116,893 | --- |
| Ohio | 1,929,242 | 1,571,659 | --- |
| Oklahoma | 552,598 | 445,165 | --- |
| Oregon | 410,140 | 337,019 | --- |
| Pennsylvania | 2,120,092 | 1,710,001 | --- |
| Rhode Island | 176,242 | 143,765 | --- |
| South Carolina | 642,521 | 515,181 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate1/ | 1975 Estimate |
|---|---|---|---|
| South Dakota | 151,413 | 124,072 | --- |
| Tennessee | 889,833 | 716,778 | --- |
| Texas | 2,367,668 | 1,913,595 | --- |
| Utah | 259,752 | 213,360 | --- |
| Vermont | 94,591 | 76,870 | --- |
| Virginia | 985,044 | 784,220 | --- |
| Washington | 620,633 | 512,870 | --- |
| West Virginia | 392,542 | 314,444 | --- |
| Wisconsin | 867,458 | 705,021 | --- |
| Wyoming | 69,035 | 55,186 | --- |
| District of Columbia | 116,242 | 89,966 | --- |
| American Samoa | 10,000 | 10,000 | --- |
| Guam | 20,634 | 16,017 | --- |
| Puerto Rico | 647,741 | 505,097 | --- |
| Trust Territory | 21,066 | 10,556 | --- |
| Virgin Islands | 13,565 | 16,435 | --- |

1/ Distribution based on fiscal year 1974 estimated State products of (1) fiscal year 1974 allotment ratios, with limits of .60 and .40, and (2) the 15-19, 20-24, and 25-65 population age-groups, with a minimum of $10,000. Population age groups are as of 7/1/71 for the 50 States and D.C.; 4/1/70 for the outlying areas.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

### Occupational, Vocational, and Adult Education
Work-Study

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $10,524,000 | $7,849,000 1/ | $ --- |
| Alabama | 184,940 | 136,999 | --- |
| Alaska | 15,607 | 12,636 | --- |
| Arizona | 93,115 | 71,825 | --- |
| Arkansas | 97,718 | 72,157 | --- |
| California | 999,022 | 748,504 | --- |
| Colorado | 119,974 | 90,778 | --- |
| Connecticut | 142,413 | 107,404 | --- |
| Delaware | 27,617 | 21,281 | --- |
| Florida | 313,173 | 238,085 | --- |
| Georgia | 243,808 | 180,891 | --- |
| Hawaii | 40,630 | 31,589 | --- |
| Idaho | 39,403 | 30,259 | --- |
| Illinois | 544,656 | 405,343 | --- |
| Indiana | 271,202 | 200,510 | --- |
| Iowa | 146,224 | 108,402 | --- |
| Kansas | 118,912 | 87,786 | --- |
| Kentucky | 173,598 | 128,021 | --- |
| Louisiana | 203,773 | 150,965 | --- |
| Maine | 50,533 | 37,575 | --- |
| Maryland | 193,112 | 148,304 | --- |
| Massachusetts | 281,441 | 209,488 | --- |
| Michigan | 467,982 | 352,139 | --- |
| Minnesota | 199,950 | 150,300 | --- |
| Mississippi | 125,791 | 93,106 | --- |
| Missouri | 232,141 | 173,243 | --- |
| Montana | 37,462 | 28,264 | --- |
| Nebraska | 77,514 | 57,859 | --- |
| Nevada | 21,842 | 17,291 | --- |
| New Hampshire | 36,751 | 27,267 | --- |
| New Jersey | 328,179 | 250,056 | --- |
| New Mexico | 56,366 | 43,228 | --- |
| New York | 848,463 | 626,469 | --- |
| North Carolina | 287,073 | 209,156 | --- |
| North Dakota | 34,922 | 26,269 | --- |
| Ohio | 544,835 | 406,008 | --- |
| Oklahoma | 131,428 | 97,429 | --- |
| Oregon | 108,988 | 81,468 | --- |
| Pennsylvania | 576,996 | 428,619 | --- |
| Rhode Island | 48,478 | 35,580 | --- |
| South Carolina | 153,949 | 113,390 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate |
|---|---|---|---|
| South Dakota | 37,506 | 27,932 | --- |
| Tennessee | 205,646 | 150,965 | --- |
| Texas | 595,966 | 446,243 | --- |
| Utah | 62,576 | 48,216 | --- |
| Vermont | 24,110 | 17,624 | --- |
| Virginia | 245,240 | 184,217 | --- |
| Washington | 180,662 | 133,008 | --- |
| West Virginia | 92,434 | 66,837 | --- |
| Wisconsin | 232,696 | 173,243 | --- |
| Wyoming | 17,687 | 13,301 | --- |
| District of Columbia | 37,645 | 26,934 | --- |
| American Samoa | 1,663 | 1,205 | --- |
| Guam | 4,728 | 3,426 | --- |
| Puerto Rico | 157,115 | 113,858 | --- |
| Trust Territory | 5,427 | 2,115 | --- |
| Virgin Islands | 2,918 | 3,933 | --- |

1/ Estimated distribution on the basis of the 15-20 population, 7/1/71 for the 50 States and D.C.; 4/1/70 for the outlying areas.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Cooperative Education

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOT[illegible] | $19,500,000 | $19,500,000 1/ | $ --- |
| Alabama | 356,178 | 355,934 | --- |
| Alaska | 212,233 | 213,772 | --- |
| Arizona | 278,314 | 280,855 | --- |
| Arkansas | 283,260 | 282,188 | --- |
| California | 1,030,529 | 1,036,981 | --- |
| Colorado | 299,373 | 301,291 | --- |
| Connecticut | 320,670 | 322,171 | --- |
| Delaware | 223,458 | 223,990 | --- |
| Florida | 463,582 | 469,220 | --- |
| Georgia | 402,251 | 403,470 | --- |
| Hawaii | 232,832 | 234,652 | --- |
| Idaho | 233,847 | 234,652 | --- |
| Illinois | 662,047 | 658,474 | --- |
| Indiana | 429,520 | 427,460 | --- |
| Iowa | 324,976 | 323,059 | --- |
| Kansas | 299,264 | 298,625 | --- |
| Kentucky | 345,669 | 343,051 | --- |
| Louisiana | 371,810 | 370,151 | --- |
| Maine | 242,665 | 242,649 | --- |
| Maryland | 362,753 | 367,485 | --- |
| Massachusetts | 435,148 | 434,568 | --- |
| Michigan | 598,782 | 600,720 | --- |
| Minnesota | 370,643 | 371,039 | --- |
| Mississippi | 306,466 | 305,289 | --- |
| Missouri | 396,348 | 395,473 | --- |
| Montana | 232,148 | 232,431 | --- |
| Nebraska | 265,430 | 265,306 | --- |
| Nevada | 218,364 | 219,547 | --- |
| New Hampshire | 230,739 | 230,210 | --- |
| New Jersey | 479,602 | 485,213 | --- |
| New Mexico | 248,059 | 249,757 | --- |
| New York | 914,361 | 906,813 | --- |
| North Carolina | 437,414 | 432,347 | --- |
| North Dakota | 229,599 | 229,765 | --- |
| Ohio | 662,577 | 662,027 | --- |
| Oklahoma | 310,380 | 310,176 | --- |
| Oregon | 292,935 | 293,294 | --- |
| Pennsylvania | 691,463 | 688,239 | --- |
| Rhode Island | 239,155 | 239,095 | --- |
| South Carolina | 328,360 | 325,281 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 231,984 | 231,987 | --- |
| Tennessee | 372,722 | 369,706 | --- |
| Texas | 699,380 | 701,566 | --- |
| Utah | 253,288 | 254,644 | --- |
| Vermont | 220,289 | 219,992 | --- |
| Virginia | 401,475 | 404,358 | --- |
| Washington | 350,763 | 349,271 | --- |
| West Virginia | 278,779 | 275,968 | --- |
| Wisconsin | 397,948 | 396,362 | --- |
| Wyoming | 215,185 | 215,549 | --- |
| District of Columbia | 229,983 | 228,877 | --- |
| American Samoa | 5,685 | ( | |
| Guam | 14,819 | ( | |
| Puerto Rico | 536,355 | (585,000 | --- |
| Trust Territory | 18,435 | ( | |
| Virgin Islands | 9,706 | ( | |

[1] Estimated distribution of $19,500,000 with 3 percent ($585,000) reserved for the outlying areas and the balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the basis of the 15-19 population, July 1, 1971.

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
State Advisory Councils

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $2,[illegible],000 | $3,044,000 1/ | $ --- |
| Alabama | 50,344 | 59,686 | --- |
| Alaska | 32,101 | 35,265 | --- |
| Arizona | 32,101 | 35,265 | --- |
| Arkansas | 32,101 | 35,265 | --- |
| California | 96,304 | 105,796 | --- |
| Colorado | 32,101 | 35,265 | --- |
| Connecticut | 32,101 | 35,265 | --- |
| Delaware | 32,101 | 35,265 | --- |
| Florida | 81,052 | 95,701 | --- |
| Georgia | 65,856 | 76,577 | --- |
| Hawaii | 32,101 | 35,265 | --- |
| Idaho | 32,101 | 35,265 | --- |
| Illinois | 96,304 | 105,796 | --- |
| Indiana | 63,676 | 75,225 | --- |
| Iowa | 34,[illegible] | [illegible] | --- |
| Kansas | 32,101 | 35,265 | --- |
| Kentucky | 47,486 | 55,913 | --- |
| Louisiana | 54,747 | 64,595 | --- |
| Maine | 32,101 | 35,265 | --- |
| Maryland | 42,791 | 50,825 | --- |
| Massachusetts | 59,715 | 70,760 | --- |
| Michigan | 96,304 | 105,796 | --- |
| Minnesota | 46,930 | 55,662 | --- |
| Mississippi | 33,188 | 39,238 | --- |
| Missouri | 57,048 | 67,618 | --- |
| Montana | 32,101 | 35,265 | --- |
| Nebraska | 32,101 | 35,265 | --- |
| Nevada | 32,101 | 35,265 | --- |
| New Hampshire | 32,101 | 35,265 | --- |
| New Jersey | 66,187 | 79,803 | --- |
| New Mexico | 32,101 | 35,265 | --- |
| New York | 96,304 | 105,796 | --- |
| North Carolina | 78,119 | 90,224 | --- |
| North Dakota | 32,101 | 35,265 | --- |
| Ohio | 96,304 | 105,796 | --- |
| Oklahoma | 35,540 | 41,795 | --- |
| Oregon | 32,101 | 35,265 | --- |
| Pennsylvania | 96,304 | 105,796 | --- |
| Rhode Island | 32,101 | 35,265 | --- |
| South Carolina | 41,323 | 48,369 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate1/ | 1975 Estimate |
|---|---|---|---|
| South Dakota | 32,101 | 35,265 | $ --- |
| Tennessee | 57,229 | 67,296 | --- |
| Texas | 96,304 | 105,796 | --- |
| Utah | 32,101 | 35,265 | --- |
| Vermont | 32,101 | 35,265 | --- |
| Virginia | 63,353 | 73,629 | --- |
| Washington | 39,915 | 48,151 | --- |
| West Virginia | 32,101 | 35,265 | --- |
| Wisconsin | 55,790 | 66,192 | --- |
| Wyoming | 32,101 | 35,265 | --- |
| District of Columbia | 32,101 | 35,265 | --- |
| American Samoa | 32,101 | 35,265 | --- |
| Guam | 32,101 | 35,265 | --- |
| Puerto Rico | 41,658 | 47,422 | --- |
| Trust Territory | 32,101 | 35,265 | --- |
| Virgin Islands | 32,101 | 35,265 | --- |

1/ Estimated distribution based on 1 percent of estimated allotment under Part B ($412,508,455) with a minimum of $50,000 and a maximum of $150,000. This entitlement ($4,315,844) was ratably reduced to $3,044,000. Amount does not include $514,000 appropriated in fiscal year 1973 but not released until fiscal year 1974.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

## Occupational, Vocational, and Adult Education Innovation

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $21,086,549 | $16,000,000[1] | $ --- |
| Alabama | 445,544 | 295,189 | --- |
| Alaska | 311,939 | 208,407 | --- |
| Arizona | 370,648 | 249,357 | --- |
| Arkansas | 250,826 | 250,171 | --- |
| California | 898,151 | 710,928 | --- |
| Colorado | 388,331 | 261,832 | --- |
| Connecticut | 418,005 | 274,578 | --- |
| Delaware | 214,085 | 214,644 | --- |
| Florida | 320,617 | 364,343 | --- |
| Georgia | 323,463 | 324,207 | --- |
| Hawaii | 330,021 | 221,153 | --- |
| Idaho | 331,337 | 221,153 | --- |
| Illinois | 686,397 | 479,872 | --- |
| Indiana | 560,920 | 338,851 | --- |
| Iowa | 415,245 | 275,121 | --- |
| Kansas | 260,595 | 260,205 | --- |
| Kentucky | 288,920 | 287,324 | --- |
| Louisiana | 304,880 | 303,867 | --- |
| Maine | 338,992 | 226,035 | --- |
| Maryland | 299,351 | 302,240 | --- |
| Massachusetts | 338,814 | 343,190 | --- |
| Michigan | 500,013 | 444,616 | --- |
| Minnesota | 302,084 | 304,409 | --- |
| Mississippi | 264,991 | 264,273 | --- |
| Missouri | 654,440 | 319,325 | --- |
| Montana | 329,624 | 219,797 | --- |
| Nebraska | 364,005 | 239,865 | --- |
| Nevada | 210,605 | 211,933 | --- |
| New Hampshire | 218,183 | 218,441 | --- |
| New Jersey | 358,992 | 374,106 | --- |
| New Mexico | 344,919 | 230,374 | --- |
| New York | 818,818 | 631,468 | --- |
| North Carolina | 344,927 | 341,834 | --- |
| North Dakota | 218,068 | 218,170 | --- |
| Ohio | 839,033 | 482,041 | --- |
| Oklahoma | 400,256 | 267,256 | --- |
| Oregon | 256,211 | 256,951 | --- |
| Pennsylvania | 864,879 | 498,041 | --- |
| Rhode Island | 334,458 | 223,865 | --- |
| South Carolina | 278,357 | 276,477 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 329,336 | 219,526 | --- |
| Tennessee | 458,386 | 303,596 | --- |
| Texas | 891,890 | 506,177 | --- |
| Utah | 231,846 | 233.357 | --- |
| Vermont | 317,446 | 212,204 | --- |
| Virginia | 486,758 | 324,749 | --- |
| Washington | 438,056 | 291,121 | --- |
| West Virginia | 373,771 | 246,374 | --- |
| Wisconsin | 520,915 | 319,867 | --- |
| Wyoming | 314,031 | 209,492 | --- |
| District of Columbia | 217,664 | 217,628 | --- |
| American Samoa | 4,665 | 4,665 | --- |
| Guam | 18,973 | 12,159 | --- |
| Puerto Rico | 447,156 | 440,086 | --- |
| Trust Territory | 28,698 | 15,126 | --- |
| Virgin Islands | 7,014 | 7,964 | --- |

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[1] Estimated distribution of total amount with 3% reserved for the outlying areas; balance distributed on the basis of (1) $200,000 to each State and D.C., and (2) the remainder on the 15-19 population, 7/1/71. Fifty percent of the funds are allotted to the States and fifty percent reserved for the Commissioner.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Research

| State or Outlying Area | 1973 Actual | 1975 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $17,997,189 | $18,000,000[1] | $ --- |
| Alabama | 360,228 | 369,261 | --- |
| Alaska | 23,136 | 24,137 | --- |
| Arizona | 433,916 | 175,237 | --- |
| Arkansas | 192,393 | 196,321 | --- |
| California | 1,466,981 | 1,524,180 | --- |
| Colorado | 207,431 | 212,308 | --- |
| Connecticut | 195,823 | 201,452 | --- |
| Delaware | 41,118 | 42,329 | --- |
| Florida | 577,660 | 592,063 | --- |
| Georgia | 469,356 | 473,745 | --- |
| Hawaii | 61,563 | 62,624 | --- |
| Idaho | 74,679 | 77,816 | --- |
| Illinois | 775,792 | 795,362 | --- |
| Indiana | 453,821 | 465,386 | --- |
| Iowa | 248,713 | 255,679 | --- |
| Kansas | 198,696 | 199,667 | --- |
| Kentucky | 338,433 | 345,915 | --- |
| Louisiana | 390,180 | 399,629 | --- |
| Maine | 97,513 | 100,927 | --- |
| Maryland | 304,979 | 314,440 | --- |
| Massachusetts | 425,587 | 437,761 | --- |
| Michigan | 719,685 | 737,083 | --- |
| Minnesota | 434,476 | 344,363 | --- |
| Mississippi | 236,535 | 242,757 | --- |
| Missouri | 406,580 | 418,333 | --- |
| Montana | 69,120 | 71,007 | --- |
| Nebraska | 131,765 | 134,033 | --- |
| Nevada | 33,239 | 34,864 | --- |
| New Hampshire | 65,508 | 67,992 | --- |
| New Jersey | 471,716 | 493,708 | --- |
| New Mexico | 108,708 | 114,316 | --- |
| New York | 1,169,516 | 1,186,314 | --- |
| North Carolina | 556,756 | 558,185 | --- |
| North Dakota | 66,116 | 67,897 | --- |
| Ohio | 915,295 | 912,899 | --- |
| Oklahoma | 253,295 | 258,575 | --- |
| Oregon | 187,995 | 195,758 | --- |
| Pennsylvania | 971,785 | 993,255 | --- |
| Rhode Island | 80,784 | 83,506 | --- |
| South Carolina | 294,512 | 299,243 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate[1] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 69,403 | 72,067 | $ --- |
| Tennessee | 407,873 | 416,341 | --- |
| Texas | 1,085,267 | 1,111,514 | --- |
| Utah | 119,063 | 123,930 | --- |
| Vermont | 43,358 | 44,650 | --- |
| | | | |
| Virginia | 451,515 | 455,515 | --- |
| Washington | 284,479 | 297,900 | --- |
| West Virginia | 179,929 | 182,646 | --- |
| Wisconsin | 397,616 | 409,512 | --- |
| Wyoming | 31,644 | 32,055 | --- |
| | | | |
| District of Columbia | 93,281 | 52,257 | --- |
| | | | |
| American Samoa | 2,952 | 2,918 | --- |
| Guam | 9,458 | 9,304 | --- |
| Puerto Rico | 294,093 | 293,386 | --- |
| Trust Territory | 9,656 | 9,547 | --- |
| Virgin Islands | 6,218 | 6,131 | --- |

1/ Estimated distribution based on FY 1974 estimated State products. Fifty percent of the funds are for use by the States and fifty percent reserved for the Commissioner of Education.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Occupational, Vocational, and Adult Education
Adult Education - Grants to States

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $74,834,000 | $53,286,000[1/] | $ --- |
| Alabama | 1,493,366 | 1,353,404 | --- |
| Alaska | 211,717 | 177,747 | --- |
| Arizona | 576,382 | 449,546 | --- |
| Arkansas | 919,569 | 785,866 | --- |
| California | 5,019,367 | 3,415,416 | --- |
| Colorado | 668,379 | 479,804 | --- |
| Connecticut | 1,057,214 | 704,706 | --- |
| Delaware | 304,981 | 239,449 | --- |
| Florida | 1,984,486 | 1,561,101 | --- |
| Georgia | 1,744,879 | 1,713,940 | --- |
| Hawaii | 347,386 | 272,771 | --- |
| Idaho | 355,656 | [illegible] | --- |
| Illinois | 3,921,152 | 2,312,597 | --- |
| Indiana | 1,806,896 | 1,154,189 | --- |
| Iowa | 1,057,485 | 646,525 | --- |
| Kansas | 848,836 | 528,113 | --- |
| Kentucky | 1,472,691 | 1,148,538 | --- |
| Louisiana | 1,599,212 | 1,599,212 | --- |
| Maine | 496,828 | 328,729 | --- |
| Maryland | 1,288,571 | 908,974 | --- |
| Massachusetts | 1,896,158 | 1,146,761 | --- |
| Michigan | 2,917,476 | 1,849,308 | --- |
| Minnesota | 1,282,212 | 793,887 | --- |
| Mississippi | 1,054,146 | 1,054,146 | --- |
| Missouri | 1,860,791 | 1,139,299 | --- |
| Montana | 361,979 | 257,088 | --- |
| Nebraska | 603,160 | 392,945 | --- |
| Nevada | 236,078 | 211,517 | --- |
| New Hampshire | 366,694 | 268,997 | --- |
| New Jersey | 2,454,680 | 1,588,290 | --- |
| New Mexico | 446,957 | 344,103 | --- |
| New York | 6,584,212 | 3,851,674 | --- |
| North Carolina | 1,978,878 | 1,898,912 | --- |
| North Dakota | 372,221 | 257,945 | --- |
| Ohio | 3,609,067 | 2,216,061 | --- |
| Oklahoma | 1,011,451 | 665,854 | --- |
| Oregon | 722,713 | 502,645 | --- |
| Pennsylvania | 4,561,114 | 2,634,898 | --- |
| Rhode Island | 502,211 | [illegible] | --- |
| South Carolina | 1,190,918 | 1,190,918 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate 1/ | 1975 Estimate |
|---|---|---|---|
| South Dakota | 382,541 | 264,081 | --- |
| Tennessee | 1,657,286 | 1,403,582 | --- |
| Texas | 3,646,041 | 3,205,110 | --- |
| Utah | 375,722 | 282,545 | --- |
| Vermont | 286,010 | 215,763 | --- |
| Virginia | 1,655,312 | 1,436,435 | --- |
| Washington | 1,018,876 | 684,134 | --- |
| West Virginia | 928,533 | 613,710 | --- |
| Wisconsin | 1,534,739 | 954,079 | --- |
| Wyoming | 247,500 | 190,514 | --- |
| District of Columbia | 416,591 | 285,764 | --- |
| American Samoa | 59,867 | 42,629 | --- |
| Guam | 104,775 | 74,601 | --- |
| Puerto Rico | 1,152,437 | 820,604 | --- |
| Trust Territory | 119,734 | 85,257 | --- |
| Virgin Islands | 59,867 | 42,629 | --- |

1/ Distribution of $53,485,000 with $199,000 reserved for the Advisory Council, 2% of the balance reserved for the outlying areas and the balance distributed with a basic amount of $150,000 and the remainder distributed on the basis of those 16 and over without a certificate of graduation from high school with no State receiving less than it's FY 1972 allotment, (4/1/70).

TUESDAY, APRIL 9, 1974.

## LIBRARY RESOURCES

### WITNESSES

**PETER P. MUIRHEAD, DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION**

**S. W. HERRELL, ACTING ASSISTANT COMMISSIONER FOR POSTSECONDARY EDUCATION**

**ELIZABETH HUGHEY, PROGRAM MANAGER, LIBRARY SERVICES AND CONSTRUCTION ACT, DIVISION OF LIBRARY PROGRAMS**

**MARY HELEN MAHAR, SCHOOL LIBRARY RESOURCES PROGRAM MANAGER, DIVISION OF LIBRARY PROGRAMS**

**ROBERT KLASSEN, CHIEF, PROGRAM DEVELOPMENT AND ASSISTANCE, DIVISION OF LIBRARY PROGRAMS**

**WILLIAM J. BAREFOOT, JR., EXECUTIVE OFFICER, BUREAU OF POSTSECONDARY EDUCATION**

**CORA P. BEEBE, ACTING BUDGET OFFICER**

**JOHN S. SARGENT, BUDGET ANALYST**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

### WITNESS INTRODUCTION

Mr. FLOOD. Now we have the Office of Education, Library Resources. The presentation will be made by Peter P. Muirhead, Deputy Commissioner for Postsecondary Education.

I don't know why we need it but I see we have a biographical sketch of you. So if you have no objection, we will place it in the record.

Mr. MUIRHEAD. Thank you, sir, I would be pleased to have you do so.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: Peter P. Muirhead.

Position: Deputy Commissioner for Postsecondary Education.

Birthplace and date: Ayr, Scotland, November 27, 1911.

Education: State University of New York (Albany), B.S. University of Rochester, M.A. Cornell University, graduate study. New York University, graduate study. Syracuse University, graduate study.

Experience: 1973, Deputy Commissioner for Postsecondary Education; 1971–72, Executive Deputy Commissioner of Education; 1970, Associate Commissioner for Higher Education; 1969, Acting Deputy Commissioner of Education; 1968–69, Acting Commissioner of Education; 1968, Acting Deputy Commissioner of Education; 1965, Associate Commissioner for Higher Education; 1961–64, Assistant Commissioner of Education (program and legislative planning); 1959–61, Director, higher education programs, National Defense Education Act; 1958–59, Chief, student loan program, NDEA; 1948–58, director, New York State regents examinations and scholarship programs (New York State Education Department); 1944–48, supervisor of secondary schools (New York State Education Department); 1937–44, supervising principal (Henrietta, N.Y.); 1934–37, high school history teacher (Avon, N.Y.).

Association memberships: American Society for Public Administration; Foreign Policy Association; Alexandria Council on Human Relations; Alexandria Little Theater; St. Andrews Society; University of Rochester Alumni Association.

**Mr. Flood.** I see you have some people with you. Do you want us to meet anybody?

**Mr. Muirhead.** Yes, Mr. Chairman. Of course the Commissioner, Dr. Ottina, is with us and on my immediate left Mr. Herrell, the Acting Assistant Commissioner for Postsecondary Education. On his left is our executive officer, Mr. William J. Barefoot. We have Elizabeth Hughey from the public library program with us and Mary Helen Mahar from the school library program. And Robert Klassen representing the Director, Division of Library Programs, and Cora Beebe, our budget officer, and John S. Sargent, our budget analyst. And our continued good friend and constant companion from the Office of the Secretary, Charles Miller.

**Mr. Flood.** I see you have a prepared statement. How do you want to handle it?

**Mr. Muirhead.** If it meets with your pleasure I should like to read the statement, which is rather short, and then respond to whatever questions you might have.

**Mr. Flood.** Suppose you do that.

### OPENING STATEMENT

**Mr. Muirhead.** Mr. Chairman and members of the subcommittee, I welcome this opportunity to appear before you on the library resources appropriation, which involves the library-related programs administered in the U.S. Office of Education, affecting public libraries, elementary and secondary school libraries and media centers, and academic libraries. It also covers the programs for librarian training, library demonstrations, and undergraduate instructional equipment.

The 1975 budget provides $25 million for public library service programs and anticipates a separate request of $15 million for proposed new library legislation affecting all types of libraries. A separate budget request is also anticipated covering school libraries.

### PUBLIC LIBRARY PROGRAMS

First, I would like to discuss the Federal posture with respect to our public library legislation—the Library Services and Construction Act—which will expire next year. Last year we recommended that Federal support for public libraries be terminated. While we continue to believe that State and local authorities should bear the primary responsibility for the maintenance of public libraries, we now believe that the Federal Government has a responsible role to play in the larger arena of library services. That role will be embodied in a proposed new library legislative initiative designed to demonstrate effective library and information service activities in all types of libraries and to support cooperative library and information service patterns at the local, State, and regional levels to improve the efficiency and effectiveness of library services at all levels. Activities previously funded under the interlibrary cooperation and the library demonstrations programs will be eligible for support under the proposed new legislation, for which a separate request of $15 million is anticipated.

We believe that an orderly phaseout of present categorical support programs under the Library Services and Construction Act is desirable as we initiate a new Federal role in aid to libraries. We are, therefore, requesting $25 million for public library services, a reduction of $19,155,500, which will provide a gradual phasing down of this support and permit transition into the new initiative.

These funds requested under the Library Services and Construction Act, title I, will permit the States to continue the best of their exemplary projects. At the same time the States and localities should increase their efforts with their own State legislatures to expand their funding levels or, where necessary, to initiate legislation that would provide State programs of direct assistance to local public libraries.

### SCHOOL LIBRARY RESOURCES

The school library resources program, now authorized under title II of the Elementary and Secondary Education Act, has a funding level of $90,250,000 in fiscal year 1974 and supports the purchase of school library resources, textbooks, and other instructional materials by public educational agencies for use by students and teachers in both public and private schools.

This program is proposed for incorporation in a support services category under the proposed consolidated education grants legislation. Upon passage of the legislation, a supplemental appropriation will be requested in fiscal year 1974 to place programs included in the new legislation on a forward-funding basis. The proposed program level for forward funding of support services will be the same as the regular 1974 appropriation.

### COLLEGE LIBRARY AND INSTRUCTIONAL EQUIPMENT PROGRAMS

No funds are requested for the college library resources, librarian training, library demonstrations, and undergraduate instructional equipment programs. The 1975 budget proposes a shift from these more narrow categorical programs, designed to aid institutions of higher education, to broad student assistance programs which allow students to carry funds to the institution of their choice and to select the course of study each desires. This would, of course, include librarian training.

Projects previously funded under the library demonstration program will be eligible for support under the proposed library initiative planned for fiscal year 1975.

In summary, we are proposing a budget request of $25 million for library resources which reflects a shift in the Federal role. Narrow categorical programs are proposed for termination, phasedown, or incorporation into grants consolidation. Proposed legislation to be transmitted separately sets forth a new form of aid to libraries to assist them in improving their efficiency and effectiveness.

Our request therefore represents a reduction of $138,124,000 below the 1974 level. However, since activities under the school library resources program will be continued at the same level under the proposed consolidated education grants legislation, the comparable reduction for these programs in fiscal year 1975 is $47,874,000.

I shall be pleased to respond to your questions.

## PUBLIC LIBRARY FUNDING

Mr. Flood. For public library services the budget request is $25 million, a reduction of $21.7 million from the 1974 appropriation.

You indicate that this budget is a first step in a proposed phaseout of Federal support.

In your view what was the original intent of the Library Act when we first enacted it back in 1956?

Mr. Muirhead. The public library program, that was initiated in 1956, had as its purpose that of bringing public library services within the reach of the rural population. Before that time that goal was very far from being reached.

I think it is a fair thing to share with you, Mr. Chairman, that in the time the public library programs have been supported, from 1956 through 1974, more than $600 million in Federal support has been more than matched by State and local efforts. We have now reached the point where library services are available to 94 percent of the people.

As you heard us say last year, Mr. Chairman, we had reached the point where we felt that the resources that were available to the Federal Government for the support of education might better be directed toward another objective, because this one was well on the way to being served. We are a little wiser this year than we were last year and have come to the conclusion that a program that has been so singularly successful probably should not be so abruptly terminated.

Mr. Flood. What is your estimate of the number of people in the United States who do not have access to public libraries?

Mr. Muirhead. Our present estimate is that approximately 94 percent of the people have access to libraries.

Mr. Flood. What parts of the country do not have adequate library services?

Mr. Muirhead. I would think that rather than parts of the country, the library services would not be available in portions of the metropolitan area and in geographically remote parts of the country. It would be as we close these gaps that we would reach complete coverage.

Mr. Flood. Why shouldn't the Federal Government continue its support so all citizens have access to public library services?

Mr. Muirhead. I think rather a good case could be made for doing just that, but I think it has to be put against the background of what are the other needs of our society and which of these priorities are further short of being accomplished than this particular one.

Then, in addition to that, Mr. Chairman, as you know of course we now have new legislation which provides funds under our special program for income tax funds to go back to the States, under "General revenue sharing," and those funds are available for support of public libraries. We have already had some report on the use of those funds, though the reports are far from complete. The information we do have indicates that of the amounts of money that have been recorded as being spent under that program, $18.5 million has gone to public libraries. I would expect as the States and localities become more accustomed to dealing with the general revenue sharing program they would indeed recognize the importance of libraries.

### STATE AND LOCAL FUNDING

Mr. FLOOD. You mentioned this and seem to stress it a little bit in your statement. What is the percentage distribution among Federal, State, and local funds of the total financing of public libraries?

Mr. MUIRHEAD. I don't have that page available. Do you Mr. Klassen?

Mr. KLASSEN. Public libraries are financed by approximately 88 percent local funds, 7 percent State funds, and 5 or 6 percent Federal funds.

Mr. FLOOD. How many States authorize some form of State aid to public libraries?

Mr. KLASSEN. When the program began in 1956 there were 23 States that had State aid programs for public library services. We think, because of the Federal incentive dollar, it has caused a number of these States to initiate public library programs. So now we have 36 States that have State aid programs to public libraries. In fact, this year we were informed that two additional States have now been added to that list so now there are 38 States with such authorizing legislation.

Mr. FLOOD. How many of these States actually make State funds available?

Mr. KLASSEN. Our latest information indicates that there are 36 States, with a total of approximately $80 million authorized.

Mr. FLOOD. Is that good?

Mr. KLASSEN. I would say there is always room for improvement.

### ESCALATING PRICE OF BOOKS

Mr. FLOOD. The average price of a book—this struck me the other night. Somebody sent me a free book. When I opened it, on the cover was the price. I couldn't believe it. We checked on this and the average price of a book is about $13, an increase of over 50 percent in the average cost of a book since 1967. How in the world can public libraries meet these rising costs without continued Federal support?

Mr. MUIRHEAD. We hope, and I am sure you do too, Mr. Chairman, that the worth and the importance of public libraries will be recognized by all levels of government.

Mr. FLOOD. You know how it is in the office. If you want a book you tell your secretary to get you that book. You just don't know sometimes. I was startled. How can they do that?

Mr. MUIRHEAD. I am sure the public is not aware of it; indeed I wasn't aware of the rather startling statistic you just shared with us that the price of books has gone up so dramatically and the price on the average is the one that you quoted, $13. It is frightening, isn't it?

Mr. FLOOD. Then you have restated the question.

Mr. MUIRHEAD. It seems to me that we do have to recognize that the costs of all manner and form of library services are increasing. We are recognizing that fact in this program by saying that when the consolidated education legislation does come forward and we come before you with an appropriate supplemental to support that, we will recognize in that consolidated package the importance of school libraries. They will be identified as a priority. And similarly in support of the public libraries, as I have already indicated, we are coming back to you this year and saying that we probably did not act very wisely last year in cutting off support for public libraries so abruptly. We should have phased it out. We are moving to phase it out now in the hope that States, with the additional revenue that will come to them, will see their way clear to put some of those revenues into the support of public libraries.

### PROPOSED LEGISLATION

Mr. Flood. Suppose you briefly describe your proposed legislation affecting libraries that you mentioned in your opening statement.

Mr. Muirhead. Our proposed legislation affecting public libraries, which is now winding its weary way toward submission to the Congress——

Mr. Flood. What is the current status of that? Where is it?

Mr. Muirhead. It is somewhere between the Department and OMB and I am not quite sure where, but it is on its way.

We are coming forward with legislation which will encourage the sharing of good library services, which will encourage the support on a discretionary basis of exemplary programs. It will also encourage the sharing of information among libraries, both at the public library level and at the college library level, and, if need be, at the school library level. In other words, the Federal Government will be taking the posture of saying that what limited resources we have in support of library services should be used to encourage those things that ordinarily the local community or the school or the State is unable to support.

Mr. Flood. If this proposed legislation is not enacted for fiscal year 1975, would you recommend continued funding of what we have now, the existing programs, at their current appropriation level?

Mr. Muirhead. No, I would not, because I am working on the assumption, Mr. Chairman, in the proposal we have before you that that legislation will be enacted. We haven't considered the scenario as to what would happen if it were not enacted.

Dr. Ottina. Mr. Chairman, we do have $25 million proposed under the continuing existing legislation.

### GENERAL REVENUE SHARING

Mr. Flood. You mentioned this several times now. This seems to be your trump card. To what extent have the general revenue sharing funds been directed toward public library support?

Mr. Muirhead. The latest information we have on that is that of those expenditures that have been reported, and a very small portion of the total expenditures have indeed been reported—of those that have been reported, $18.5 million has gone to public libraries.

Mr. Flood. Is that good?

Mr. Muirhead. I don't know whether it is good or poor, Mr. Chairman, because all the precincts haven't been heard from yet. It certainly indicates on this small sampling of expenditures that libraries are being recognized.

### COLLEGE LIBRARIES

Mr. Flood. No funds are being requested at all for the college library program. Tell us how these college libraries got these grants in past years. What did they do?

Mr. Muirhead. Under what we call the Higher Education Act, title II–A, there is a program for support of college libraries that provided a common grant to all eligible colleges and universities and other nonprofit library agencies, and that common grant is $5,000.

The college library resources program also requires that this expenditure be made, and only when this expenditure is made can whatever appropriation remains be used for special purpose and supplemental grants. There is also a mandated percentage distribution of funds between the resources program and the training and demonstration activities authorized under title II–B.

We sought to have that legislation changed because we felt that it really wasn't a reasonable use of Federal funds to provide a flat $5,000 grant to all recipients, whether they be a large institution such as Harvard University or a small 2-year community college, and that somehow or other we ought to be able to use those moneys based on some type of assessment of the need of the institution.

Then when we were not able to have that legislation changed, we favored putting the very large bulk of our resources into support of student assistance. We felt—and this was not an easy decision to make—that it would be a more effective use of these funds to make them available to students to help them with their higher education costs.

Dr. Ottina. I might add one point, Mr. Chairman. As Mr. Muirhead said in his testimony there is a demonstration authority which can be funded however, the mandated percentage distribution restricts the level of funding for this activity. Our view was that the new legislation we would propose would enable libraries to participate in innovative demonstration efforts.

Part of what we are trying to encourage is the fact that there are built throughout this land of ours very rich resources in libraries and perhaps there are better ways to share among universities, colleges, and public institutions.

Mr. Flood. For example, how are these grants used by the Ivy League universities as opposed to say one of the small black colleges?

Mr. Muirhead. The grants we would propose to use under this new legislation?

Mr. Flood. No, the $5,000 grants.

Mr. Muirhead. The grants we had originally——

Mr. Flood. How were they used?

Mr. Muirhead. I didn't understand the question, Mr. Chairman. The grants for which we now have authority——

Mr. Flood. How were they used in Ivy League colleges as distinguished from a small black college?

Mr. Muirhead. To assist the college to purchase books, periodicals, and other library materials. They would be used for the same purpose at the science research library at MIT as in the general purpose library at a community college. It is a straightforward grant for the purchase of library books and materials.

Mr. Flood. No difference between the use of grant funds for the two types of colleges?

Mr. Barefoot. It is an entitlement program, in essence, in which the amount of the grant will be equal to the amount that the institution plans to spend not to exceed $5,000. So, $5,000 is the limit.

Mr. Flood. What is your assessment of most of these college libraries? Are they adequately equipped with up-to-date library materials?

Mr. Muirhead. I think that the average college library is far short of being properly equipped with titles and information resources, that there is a great need to improve the average college library, and there is a great need to improve the libraries in many, many institutions.

Dr. Ottina. As you have heard us say before, the problem we have is that there are some grants which we feel are not needed, yet because of the legislation it is impossible to deal only with the institutions that really need such grants.

Mr. Flood. I don't know how you handle that.

### UNDERGRADUATE INSTRUCTIONAL EQUIPMENT

No funds are requested here for undergraduate instructional equipment. The justifications do indicate $12.5 million of the 1973 funds were released in 1974. How will these funds be used and during what time period?

Mr. Muirhead. Again, we are not requesting funds for undergraduate equipment, just as we are not requesting funds, as we have already indicated, for college library resources. Nor are we requesting funds for library construction. The decision not to request funds in those areas flows from the priorities that we have placed on the budget of using available resources to open up educational opportunities for students.

As you will note when we have an opportunity to review the whole higher education budget with you, more than 90 percent of the budget request for higher education will be directed both directly and indirectly toward the student assistance goal.

Mr. Flood. How much of the undergraduate equipment funds have been used for closed circuit TV?

Mr. Muirhead. I don't know the answer to that question.

Mr. Barefoot. Mr. Chairman, from 1966 through 1972 $8,420,000 has been used for that purpose.

Mr. Flood. For the record give us a breakdown of the kind of equipment purchased with the funds appropriated in fiscal year 1974.

Mr. Herrell. We will supply that for the record.

[The information follows:]

*Undergraduate instructional equipment purchases by type in fiscal year 1974*

| Type of purchase: | Estimated percentage |
|---|---|
| Closed-circuit TV | 12 |
| Audio-visual equipment | 26 |
| Audio-visual material | 9 |
| Other[1] | 53 |

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[1] Includes: Laboratory equipment, Business education equipment, Information retrieval equipment, Films and tapes for all subject areas.

### LIBRARIAN TRAINING

Mr. FLOOD. You are proposing to terminate the support of librarian training. What about the supply and demand situation as far as library personnel are concerned? What do you have to show that picture?

Mr. MUIRHEAD. We have a table which does give some indication of the present employment figures for all libraries and what the replacements are that are needed. And it concludes by indicating that the estimated number of jobs through 1980 will average about 10,000 per year. About 80 percent of these new jobs will be filled by new graduates.

Mr. FLOOD. Supply and demand. What is that situation?

Mr. MUIRHEAD. Our assessment of the supply and demand situation is that, just as in most other fields in the training of educational personnel, there is not a critical shortage of trained librarians, and that those shortages that do exist are not critical enough to warrant a priority consideration for the use of scarce Federal resources.

Mr. FLOOD. How can you hope to improve a library system if you phase out the programs that attract young people into the library field.

Mr. MUIRHEAD. I guess I have to return again, Mr. Chairman, to the point that we are not by our actions indicating that we feel that support for libraries should in any way be decreased. We are saying that at this particular point, with the amount of resources we do have, there are higher priorities for which our resources can be used, there are more compelling national concerns, and that we have abundant faith in the State and local governments to recognize the need and worth of libraries and to continue supporting them.

Dr. OTTINA. Mr. Chairman, our position on the encouragement of personnel to enter any field in general is, I think, a little bit the inverse of the question you pose. I think what we are seeking is the answer to the questions of whether there is a critical shortage, and if there is a need for the Federal Government to in some fashion address that critical shortage. And we have been unable in this field to identify it as a critical shortage.

### LIBRARY DEMONSTRATIONS

Mr. FLOOD. Suppose you supply for the record a summary description of the 16 new library demonstration projects that have been or will be awarded in fiscal year 1974.

Mr. BAREFOOT. There will be a delay because of our process right now. Those applications are currently coming into the office, and our plans are to announce awards in June 1974.

Mr. FLOOD. You can only do it when you can.

Mr. BAREFOOT. We will supply the information to the committee as soon as it is available.

### LIBRARIAN TRAINING

Mr. MUIRHEAD. If I may, Mr. Chairman, in response to your question with regard to library training—we always have a need for well-trained people. But the fact that we are putting such a heavy emphasis upon student assistance, it seems to me, will indirectly lead to better trained librarians, because support we are providing to students will enable them to choose the area of their own training. Hopefully a number of them will pursue library training.

### UNDERSERVED GROUPS

Mr. CONTE. What is the extent at the present of State support for library services to the blind and handicapped, migrants and inner city populations?

Mr. MUIRHEAD. In fiscal year 1973, our best figures indicate that State and local expenditures for library and informational services to the physically handicapped amounted to $3,765,000. Federal funding for handicapped through LSCA, title I was $1,583,776. Estimated State and local expenditures for library services for migrants amounts to $61,716 (in five States reporting such expenditures). This compares to $102,000 LSCA supporting these same projects. Preliminary estimates indicate that State and local expenditures for inner-city populations amounted to over $2,500,000. This compares with approximately $5,200,000 Federal LSCA, title I funds going into Model Cities and disadvantaged projects, a large part of which would be service to inner-city populations.

Mr. CONTE. Of the 400,000 persons who used federally supported services in those areas in 1973, how many do you estimate would be reached by State or local services if Federal funding were not available?

Mr. MUIRHEAD. A total of 400,000 handicapped persons were served in fiscal year 1973 with LSCA Federal, State and local funds totaling approximately $5,375,000. Of this amount, $3,764,000 or 70 percent was the State and local contribution. Based on these figures, we would estimate that without LSCA, title I, 280,000 (or 70 percent of those served in fiscal year 1973) would be provided library services.

### SCHOOL LIBRARIES

Mr. CONTE. Under the school library resources program, how much aid goes to institutions other than regular schools—correctional institutions, programs for disturbed children, et cetera.

Mr. MUIRHEAD. Under the school library resources program, correctional institutions for delinquent children are eligible if they offer programs of elementary and/or secondary education. There are 587 State and local public institutions for delinquent children with such programs serving 52,615 children. No data are available on the number of these children receiving benefits from ESEA Title II, but it is probable that all of them are. The amount spent for materials for these children would be part of the $751,000 reported for neglected and delinquent children. Preliminary tables of the fiscal year 1972 consolidated program Information Report provide data on amounts spent for materials under ESEA title II for the use of children in various special programs.

[The information follows:]

| Materials for: | Amount |
|---|---|
| Children from low-income areas | $11,291,000 |
| Handicapped children | 448,000 |
| Children from non-English-speaking environment | 521,000 |
| Migrant children | 171,000 |
| Neglected and delinquent children | 751,000 |
| Potential and former dropouts | 374,000 |
| Total | 13,556,000 |

Mr. CONTE. Fifteen percent of our schools are still without libraries according to your justification. Are those schools grouped in special areas or are they particular kinds of schools? Are any special efforts targeted at them?

Mr. MUIRHEAD. The 15 percent of schools without libraries are predominantly elementary schools. They are not in special areas—some are rural, and others urban schools. State departments of education make special efforts in various ways to develop libraries or media centers in schools without them. Some States' relative need formulas make direct provision for such centers or libraries; other relative need formulas, based on professional standards and other measures of adequacy, ensure that schools without libraries will receive more assistance from ESEA title II.

### COLLEGE LIBRARIES

Mr. CONTE. Does the college library program put special emphasis on general college libraries or specialized services?

Mr. MUIRHEAD. In the academic library resources program, virtually every institution of higher education, and other library agencies whose primary function is to provide library and information services to institutions of higher education on a formal cooperative basis, are eligible to receive a basic grant if maintenance-of-effort and other requirements are met.

Each eligible institution assesses its own areas of need and purchases printed and nonprint materials accordingly. In its application form and guidelines for the HEA II–A program, the Office of Education cites areas of national needs for materials and encourages institutions to develop prioritized acquisition plans. These are, however, only suggested areas for concentration and concern and, in the final analysis, each institution decides within the intent of the legislation exactly how it will spend its HEA II–A funds.

Mr. CONTE. Are any shared resources provided, such as resources for consortia of colleges?

Mr. MUIRHEAD. We anticipate that the entire fiscal year 1974 HEA II–A appropriation, $9,985,000, will be obligated for basic grants. Consortia of institutions of higher education are eligible for these basic grants if they meet the other program requirements. In fiscal year 1973, 9 higher educational consortia in 5 States received Basic Grants of $5,000. We would expect that in fiscal year 1974 there would be at least as many, if not more, consortia applying for basic grants.

In addition, in fiscal year 1973, a total of $1,030,000 in special purpose, type "C" grants were awarded to 17 consortia, involving 263 institutions, for the purpose of establishing and strengthening joint use of library facilities. These awards can only be made after all eligible institutions receive a basic grant. In fiscal year 1974, we anticipate no additional moneys will be available after the awarding of the required basic grants.

### LIBRARIANS WORKING WITH HANDICAPPED

Mr. CONTE. Has special training been supported for library personnel working with the handicapped?

Mr. MUIRHEAD. In fiscal year 1973, the State University of New York at Buffalo was awarded an HEA II–B institute grant to provide intensive training for 50 professional librarians to enable them to work more effectively with handicapped and institutionalized persons. The participants in the institute, to be held in May 1974, will represent public librarians, school librarians and media specialists, library school faculty, and institutional librarians. One of the main purposes of the institute will be to give these participants the skills to train others to become more sensitive and competent in working with handicapped and institutionalized persons.

For the fiscal year 1974 HEA II–B program, the training of personnel to work with handicapped was stipulated as one of the national priority areas of concern. As the proposals for the fiscal year 1974 grants are presently in the review process, it is not yet possible to estimate the total number of institutes which will deal with training for service with handicapped persons.

### LIBRARY PARAPROFESSIONALS

Mr. CONTE. To what extent and in what kinds of jobs are paraprofessionals used in library programs? Has there been any effort to recruit veterans to these training programs?

Mr. MUIRHEAD. A soon-to-be published library manpower study, jointly funded by the U.S. Office of Education and Bureau of Labor Statistics indicates that there are approximately 120,000 library attendants and assistants employed as paraprofessionals in libraries throughout the Nation. Employment breakdowns are as follows: 45,600 or 38 percent in public libraries; 39,600 or 33 percent in academic libraries; 19,200 or 16 percent in school libraries; and 16,600 or 13 percent in special libraries.

Paraprofessionals often are used in libraries as indigenous community outreach personnel, where they can closely identify with the needs of the local community. Traditionally, paraprofessionals are persons with special skills or capacities for professional work which can support or complement a professional librarian.

In our fiscal year 1973 librarian training program, we placed special emphasis in encouraging and funding institutes attracting persons, particularly from disadvantaged and minority groups, into paraprofessional positions in library and information science related careers. Approximately one-third of the 29 institutes funded were designed for paraprofessionals and it is estimated that approximately 240 will have participated in fiscal year 1973 long- and short-term institutes.

These institutes focus on a wide range of activities including, for example: training inmates and parolees of a correctional institution in New Jersey, leading to an AA degree as educational media technicians; training unemployed and underemployed persons in a four county area of rural Mississippi to work in all the libraries in the area; training library aides to work with Pueblo Indians.

In addition, 17 of the 250 fellowships and traineeships budgeted during the fiscal year 1973 HEA II–B program, were awarded for paraprofessional training.

During fiscal year 1973, Vorhees College in Denmark, S.C., was awarded an HEA II–B institute grant specifically to train veterans for the AA degree in library science. Twenty veterans, with high school diplomas or the equivalent, were recruited for training to work in public libraries, academic libraries, and school libraries and as media specialists.

### LIBRARY DEMONSTRATIONS

Mr. CONTE. Will you describe your demonstration program on library services for the aging?

Mr. MUIRHEAD. Over the past 2 years, the library research demonstration program has focused more and more of its resources on projects designed to demonstrate effective methods of providing library and informational services to the disadvantaged hard-to-reach groups. The aging have been an obvious target group in many of these outreach efforts.

In addition, the title II–B demonstration program has focused several projects designed specifically to improve library services to the aging. I will furnish brief descriptions of the projects for the record.

[The information follows:]

The Institute of Lifetime Learning, Washington, D.C., is engaged in a research and demonstration project ($140,000) to develop and field test different methods of providing specialized services for the aging. The pilot project was conducted in Kentucky to provide a delivery system to reach the older adults—this includes the utilization of audio-visual; mass media; identifying specific and effective delivery by providing adequate transportation; and the training of volunteers, and library staffs to interact with local library services and other service agencies.

The Cleveland Public Library conducted a survey of library services to the aging ($35,000). The purpose of the study was to determine the state of programs and services to the aging provided by 1,330 public libraries with service area population exceeding 25,000. The data collected reflects: (1) current public library programs and services to the aging; (2) financial support for programs and services; and (3) development of programs and services to the aging.

A study by the Rhode Island Department of State Library Services ($75,000) was an investigation and demonstration of library services for the elderly, institutionalized mentally ill. The study identified alternative programs and techniques to reach the aging mentally ill and established a demonstration service with the view toward evaluation of the effectiveness in relation to rehabilitation efforts.

Florissant Valley Community College (St. Louis, Mo.) is engaged in an effort to provide a model of combined and integrated resources for community learning ($262,000). The study and demonstration will identify the information educational needs of selected target groups, including the aging.

Mr. CONTE. Are you making any special efforts to share these programs in other areas?

Mr. MUIRHEAD. All projects considered for funding under the library research and demonstration program are evaluated with respect to their national impact and possibilities for replicability in other locations. These factors are considered during the entire funding process, from evaluation of proposals through the dissemination of the final project report.

Among the eight published program funding criteria for fiscal year 1974, at least three are directly related to this:

> Proposals must contain provisions designed to disseminate the results and make this information available through commercial publications, published articles, presentations, and so forth;
>
> Proposals must, through supporting letters and documentation, insure the continuity of the project or part of it at the sites selected or its replication at other sites; and
>
> Proposals should contribute to a solution of an important library problem and the improvement of services or operations in a significant number of libraries.

The demonstration projects designed to insure the replicability of innovative library and information service activities are best exemplified by the neighborhood information centers and the nontraditional study activities presently funded under HEA II–B.

Both demonstrate how a basic, innovative concept in library services can be demonstrated in a variety of community settings depending upon the target group to be served.

In the first project, the Cleveland Public Library is the consortium coordinator for the public libraries in five major cities experimenting with neighborhood information centers tailored to the specific informational needs of the communities in which they are located. A total of 10 centers are supported by these libraries; most serve disadvantaged or poor populations, but each has some unique aspects which differentiate it from the others.

In the second project, the college entrance examination board is operating a demonstration project supporting the concept of nontraditional studies in public libraries. Here, professional librarians in 12 communities, ranging from inner cities to surburan and rural areas, are being trained to work with adults wishing to use the public library as an educational resource center, and enabling them to earn "open university" college degrees. The differentiated community response to these activities will serve to promote the adaptation of such activities in similar settings.

Mr. FLOOD. Thank you very much.

Mr. MUIRHEAD. Thank you, sir.

# JUSTIFICATION OF THE BUDGET ESTIMATES

OFFICE OF EDUCATION

Library Resources

## Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $171,709,000 | $25,000,000 |
| Amount withheld (P.L. 93-192) | -3,688,000 | --- |
| Proposed pay supplemental transfers to: | | |
| "Salaries and expenses" | -4,073,000 | --- |
| "Office of Assistant Secretary for Education" | - 124,000 | --- |
| "National Institute of Education" | - 700,000 | --- |
| Subtotal, adjusted appropriation | 163,124,000 | 25,000,000 |
| Unobligated balance, start of year | 520,395 | 117,006 |
| Unobligated balance, end of year | - 117,006 | - 117,006 |
| Unobligated balance, lapsing | - 273,394 | --- |
| Total, base obligations | 163,253,995 | 25,000,000 |
| Unobligated balance, restored | 12,311,153 | --- |
| Total, obligations | 175,565,148 | 25,000,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $175,565,148 |
| 1975 Estimated obligations | 25,000,000 |
| Net Change | -150,565,148 |

| | Base | Change from Base |
|---|---|---|
| Decreases: | | |
| 1. Public library services: | | |
| (a) Grants for public library services | $44,155,500 | $-19,155,500 |
| (b) Interlibrary cooperation | 2,593,500 | - 2,593,500 |
| 2. School library resources | 90,250,000 | -90,250,000 |
| 3. College library resouces | 9,985,000 | - 9,985,000 |
| 4. Undergraduate instructional equipment | 24,186,153 | -24,186,153 |
| 5. Training and demonstrations: | | |
| (a) Librarian training | 2,855,856 | - 2,855,856 |
| (b) Library demonstrations | 1,539,139 | - 1,539,139 |
| Total, net change | --- | -150,565,148 |

## Explanation of Changes

Decreases:

1. Public library services:

(a) Grants for public library services.--The 1975 budget is requesting phase-down funding for this program at the level of $25,000,000. It is anticipated that the States and localities will continue to expand their funding levels as their individual needs require.

(b) Interlibrary cooperation.--No funds are requested for this program in 1975. However, the proposed new library legislation will provide for the integration of different types of libraries through further development of cooperative networks.

2. School library resources.--Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in the proposed consolidated education grants legislative program.

3. College library resources.--No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from institutional support toward student support.

4. Undergraduate instructional equipment.--No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from institutional support toward student support. The fiscal year 1974 total of $24,186,153 includes the 1974 appropriation of $11,875,000 plus the 1973 appropriation restoration of $12,311,153. The decrease in budget authority, therefore, is only $11,875,000.

5. Training and demonstrations:

(a) Librarian training.--No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from most forms of specialized manpower training.

(b) Library demonstrations.--No funds are requested for this program in 1975. However, the proposed new library legislation will provide funds to support exemplary demonstration projects which are considered to have national applicability.

## Obligations by Activity

| Page Ref. | | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 133 | Public libraries: | | | |
| 133 | Services: | | | |
| 133 | (a) Grants for public libraries | $ 44,155,500 | $25,000,000 | $-19,155,500 A/ |
| 136 | (b) Interlibrary cooperation... | 2,593,500 | --- | - 2,593,500 B/ |
| 138 | School library resources......... | 90,250,000 | --- | -90,250,000 C/ |
| 141 | College library resources........ | 9,985,000 | --- | - 9,985,000 D/ |
| 143 | Undergraduate instructional equipment........................ | 11,875,000 | --- | -11,875,000 E/ |
| | (Obligations).................. | (24,186,153) | | |
| 144 | Training and demonstrations: | | | |
| 144 | (a) Librarian training.......... | 2,855,856 | --- | - 2,855,856 F/ |
| 147 | (b) Library demonstrations...... | 1,539,139 | --- | - 1,539,139 G/ |
| | Total obligations (base)............... | 163,253,995 | 25,000,000 | -138,253,995 |
| | Total obligations..................... | (175,565,148) | | |

Explanation of changes

A/ The 1975 budget is requesting phase-down funding for this program. It is anticipated that the States and localities will continue to expand their funding levels as their individual needs require.

B/ No funds are requested for this program in 1975. However, the proposed new library legislation will provide for the integration of different types of libraries through further development of cooperative networks.

C/ Beginning with a 1974 supplemental for the school year 1974-1975, this activity will be included in the proposed consolidated education grants legislative program.

D/ No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from institutional support toward student support.

E/ No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from institutional support toward student support. The fiscal year 1974 total of $24,186,153 includes the 1974 appropriation of $11,875,000 plus the 1973 appropriation restoration of $12,311,153. The decrease in budget authority, therefore, is only $11,875,000.

F/ No funds are requested for this program in 1975, consistent with the Office of Education's general higher education policy of moving away from most forms of specialized manpower training.

G/ No funds are requested for this program in 1975. However, the proposed new library legislation will provide funds to support exemplary demonstration projects which are considered to have national applicability.

* 1974 Base--Excludes 1973 appropriation restorations. Total obligations are shown in parentheses.

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants, subsidies, and contributions .................. | $175,565,148 | $25,000,000 | $-150,565,148 |
| Total obligations by object.... | $175,565,148 | $25,000,000 | $-150,565,148 |
| Total obligations, excluding 1973 appropriation restoration | $163,253,995 | $25,000,000 | $-138,253,995 |

**Authorizing Legislation**

| | 1975 | |
|---|---|---|
| | Authorized | Appropriation requested |
| Library Services and Construction Act: | | |
| Title I--Grants for public library services .............................. | $129,675,000 | $25,000,000 |
| Title II--Construction of public libraries .............................. | 92,500,000 | --- |
| Title III--Interlibrary cooperation ..... | 17,300,000 | --- |
| Elementary and Secondary Education Act: | | |
| Title II--School library resources...... | 1/ | 1/ |
| Higher Education Act: | | |
| Title II, Part A--College library resources .............................. | 70,000,000 | --- |
| Title II, Part B, Section 222--Librarian training .................... | 20,000,000 | --- |
| Title II, Part B, Section 223--Library demonstrations ................ | 10,000,000 | --- |
| Title VI, Part A--Undergraduate instructional equipment .............. | 70,000,000 | --- |

1/ Authorization has expired; funding for this program is being requested under the proposed consolidated education grants legislation.

## Library Resources

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropration |
|---|---|---|---|---|
| 1965 | $ 55,000,000 | $ --- | $ 55,000,000 | $ 55,000,000 |
| 1966 | 213,500,000 | 181,000,000 | 181,000,000 | 181,000,000 |
| 1967 | 209,300,000 | 227,800,000 | 204,100,00 | 224,800,000 |
| 1968 | 224,300,000 | 223,757,000 | 223,757,000 | 208,765,000 |
| 1969 | 147,194,000 | 99,894,000 | 161,194,000 | 150,644,000 |
| 1970 | 39,709,000 | 118,565,000 | 149,815,000 | 101,753,000 |
| 1971 | 131,430,000 | 141,680,000 | 175,565,000 | 150,772,000 |
| 1972 | 107,250,000 | 147,709,000 | 206,709,000 | 176,209,000 |
| 1973 | 138,730,000 | 202,357,000 | 217,357,000 | 215,157,000 |
| 1974 | --- | 176,209,000 | 176,709,000 | 171,709,000[1] |
| 1975 | 25,000,000[2] | | | |

---

[1] The Congress appropriated $171,709,000 but allowed the President to withhold percent. The reduced amount of $163,124,000 represents the amount the President proposes to allocate.

[2] This amount does not include funds for the school library resources program which is included in the proposed consolidated education grants program; the table is otherwise comparable.

Justification

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Library Resources: | | | |
| 1. Public libraries: | | | |
| (a) Services.................... | $ 46,749,000 | $25,000,000 | $-21,749,000 |
| 2. School library resources........... | 90,250,000 | --- | -90,250,000 |
| 3. College library resources.......... | 9,975,000 | --- | - 9,975,000 |
| 4. Undergraduate instructional equipment............................ | 11,875,000 | --- | -11,875,000 |
| 5. Training and demonstrations: | | | |
| (a) Librarian training.......... | 2,850,000 | --- | - 2,850,000 |
| (b) Library demonstrations...... | 1,425,000 | --- | - 1,425,000 |
| Subtotal.................... | 4,275,000 | --- | - 4,275,000 |
| Total.................. | 163,124,000 | 25,000,000 | -138,124,000 |

## General Statement

This appropriation includes the major library-related programs administered within the U.S. Office of Education, affecting public libraries, elementary and secondary school libraries, and academic libraries. It also includes librarian training, the library demonstrations program, and the undergraduate instructional equipment program.

The 1975 budget provides $25,000,000 for library resources, and also includes separately a request for funding of proposed new library legislation. These funds represent the first step in the proposed phase-down of Federal support for grants to States for public library services. It is proposed that the Federal role in libraries will shift to the proposed new legislation, which is designed to demonstrate effective library practices and to encourage and support cooperative library service patterns at the local, State and regional levels. Therefore, no funds are requested for the interlibrary cooperation and library demonstrations programs.

The school library resources program will be included in the consolidated education grants legislation now pending before the Congress. This proposed new legislation will allow the States and localities more flexibility in determining priorities. And in order to provide more lead time for State planning, a supplemental appropriation will be requested in fiscal year 1974 for the school year 1974-75.

No funds are being requested in fiscal year 1975 for the college library resources program, the librarian training program, and the undergraduate instructional equipment program. It is the Office of Education's general higher education policy to focus on student assistance, rather than on institutional support and specialized training programs.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Public Libraries | | | |
| (a) Services | | | |
| (1) Grants for Public Libraries | $44,155,500 | $25,000,000 | $-19,155,500 |

## Narrative

### Program Purpose

Title I of the Library Services and Construction Act (LSCA) authorizes grants to States to promote the extension and improvement of public library services in areas without such services or with inadequate services; to improve State library services for the physically handicapped, institutionalized and disadvantaged persons; to strengthen State library administrative agencies; and to strengthen metropolitan libraries which serve as regional resource centers.

Grants are made to States on a formula basis. The Federal share is 33 percent to 66 percent (except Trust Territory which is 100 percent federally funded), and States must provide matching funds in proportion to their per capita income.

### Plans for Fiscal Year 1975

Although LSCA Title I funds have become more concentrated on the disadvantaged and previously unserved groups and supported many innovative service projects which could not have been initiated locally, the program was not designed to provide indefinite operational support. Therefore, the 1975 budget level of $25,000,000 is intended to be the first step in the proposed phase-down of Federal support for this type of public library aid, while shifting Federal support to the proposed new library legislation. The new legislation is designed to demonstrate effective library practices and to encourage and support cooperative library service patterns at the local, State and regional levels.

The phase-down funding will permit the States to continue some of their exemplary projects for outreach, such as book service to migrant camps, inner-city ghetto storefront libraries, and provision of reading materials for prisoners, the blind and physically handicapped, and the institutionalized. At the same time the States and localities should increase their efforts with their own State legislatures to expand their funding levels or, where necessary, to initiate legislation that would provide State programs of direct assistance to local public libraries, or to utilize general revenue sharing funds.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1973 the appropriation was $62,000,000; of this amount, $30,000,000 was made available to the States in that year.

Leadership at the Federal level assisted and encouraged the State library agencies in the further shifting of Federal dollars from support of public library services for the general population toward the provision of such services to special clientele; about 20,000,000 disadvantaged persons had access to new or improved library services.

Continued library services to the blind and physically handicapped were provided. Services included large-print books, special equipment such as page turners, magnifying glasses, etc., and specially trained public library personnel to provide the specialized services needed by blind and physically handicapped persons. More than 400,000 persons used these services in fiscal year 1973.

The remaining $32,000,000 appropriated in fiscal year 1973 was made available to the States in fiscal year 1974. These funds combined with the fiscal year 1974 appropriation of $44,155,500 makes a total of $76,155,500 available through June 30, 1974. States are continuing projects aimed at meeting the informational needs of the disadvantaged, of whom about 28,000,000 will receive new or improved services in fiscal year 1974. In addition these funds are providing specialized library services to about 800,000 prisoners, patients, and other institutionalized persons and about 400,000 blind and physically handicapped persons.

## SUPPLEMENTAL FACT SHEET

### Grants for Public Libraries

| | FY 1973 | FY 1974 (est.) | FY 1975 (est.) |
|---|---|---|---|
| Appropriations.................... | \$62,000,000 | \$44,155,500 | \$25,000,000 |
| Federal dollars available to States...................... | \$30,000,000[1] | \$76,155,500[1] | \$25,000,000 |
| Disadvantaged persons served through special library projects........................ | 20,000,000 | 28,000,000 | 20,000,000 |
| State institutionalized persons served through this program..... | 737,000 | 800,000 | 737,000 |
| Blind and physically handicapped persons served through this program ........................ | 400,000 | 400,000 | 400,000 |

Other data:

Out of a total population of approximately 206,000,000, about 193,000,000 (94 percent) have access to the services of public libraries.

In 1956, at the time of enactment of the Library Services Act, 23 States had programs for Statewide public library development. Now there are 36 States with grant-in-aid programs, with authorizations totaling \$80,000,000.

The success of the targeting of Federal funds for special needs groups, such as the handicapped and the disadvantaged, is indicated by the increase from 22 percent in fiscal year 1971 to 46 percent in fiscal year 1972 for such persons.

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[1] Of the \$62,000,000 appropriated in 1973, \$30,000,000 was made available to the States in 1973 and \$32,000,000 was released in fiscal year 1974. Work-load data reflects sums available to the States for applicable fiscal year.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Public Libraries | | | |
| (a) Services | | | |
| (2) Interlibrary Cooperation | $2,593,500 | --- | $-2,593,500 |

## Narrative

### Program Purpose

Title III of the Library Services and Construction Act, as amended, authorizes grants to States for establishing and maintaining local, State, interstate, and/or regional cooperative networks of libraries. The purpose of such networks or systems is to provide a systematic and effective coordination of resources of school, public, academic, and special libraries and information centers to develop a more economical operation and, in turn, provide better service to all users.

Grants are made on a formula basis, and no State matching is required.

### Plans for Fiscal Year 1975

The Nation's libraries, involved in cooperative projects of library and information service, have successfully proven the value of cooperative local, State and regional projects and networks in increasing services and dollar effectiveness. Support for similar activities will be available under broader new legislation to be proposed. The budget therefore proposes no funds for this program in fiscal year 1975.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1973 the appropriation was $7,500,000. Federal funds totaling $2,730,000 were made available to the States in that year. These funds provided support for 120 cooperative interlibrary projects. These projects involved about 9,000 public, school, academic and special libraries.

Library councils, with membership from all types of libraries within a given area of a State, were initiated or strengthened. These councils coordinated activities at the local level, identified the strengths and weaknesses of their resources, designed proposals to help solve problems, and served as the coordinating agency at the local level and in the Statewide networks. By fiscal year 1973, 19 States had, as a specific long-range goal, the development of some form of area library council.

The remaining $4,770,000 from the fiscal 1973 appropriation was released to the States in fiscal year 1974. These funds combined with the fiscal year 1974 appropriation of $2,593,500 make a total of $7,363,500 in Federal funds available to the States through June 30, 1974. These funds will strengthen and expand the existing cooperative programs and will allow for 20 new cooperative projects. Emphasis will be on improving cooperative services through greater efficiency and cost effectiveness. Projects include joint cataloging and processing centers, reference and informational networks and joint purchasing and acquisition programs.

## SUPPLEMENTAL FACT SHEET

### Interlibrary Cooperation

| | FY 1973 | FY 1974 (est.) |
|---|---|---|
| Appropriation........... | $7,500,000 | $2,593,500 |
| Federal Funds Available to the States......... | $2,730,000 1/ | $7,363,500 1/ |
| Number of Cooperative Projects.............. | 120 | 140 |
| Number of Libraries Involved in Cooperative Projects......... | 9,000 | 10,500 |

1/ Of the $7,500,000 appropriated in FY 1973, $2,730,000 was made available to the States in FY 1973 and $4,770,000 was released in FY 1974. Work-load data reflects sums available to the States for applicable fiscal year.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| School Library Resources | $90,250,000 | --- | $-90,250,000 |

## Narrative

### Program Purpose

Title II of the Elementary and Secondary Education Act authorizes grants to States for procurement of school library resources, textbooks, and other instructional materials for use by students and teachers in public and private elementary and secondary schools.

Grants are allocated to the States on a formula based on number of pupils in the State, after approval by the Office of Education of the State plan. The States in turn make books and other materials available for use by students and teachers in public and private schools within the State in part on the basis of relative need.

### Plans for Fiscal Year 1975

Beginning with a 1974 supplemental for the school year 1974-75, this activity will be included in a new consolidated education grant legislative program where States and localities will have a greater flexibility in the use of Federal funds and will be able to continue projects and programs such as those previously budgeted separately.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1973 the appropriation was $100,000,000; of this amount, $90,000,000 was made available to the States. These funds benefitted approximately 48,400,000 elementary and secondary school children, of whom about 5,300,000 were private school children, and about $4,500,000 will be used by the State agencies for administration of the program.

The remaining $10,000,000 appropriated in fiscal year 1973 was made available to the States in fiscal year 1974. These funds combined with the fiscal year 1974 appropriation of $90,250,000 makes a total of $100,250,000 available through June 30, 1974. About $4,550,000 will be used by the State agencies for administration of the program. The balance will be used for school library resources, textbooks and instructional materials.

The school library resources program has been integrated with the comprehensive plans of State departments of education for the development of elementary and secondary education. For example, in Oregon Title II contributed to the implementation of five priorities of the Oregon Board of Education: primary education, career education, extension of educational opportunity, education for the disadvantaged, and adding the fourth "R" - responsibility.

Nearly every State and local education agency reports increased funding of Title II reading projects. The projects are generally directed toward regular elementary and secondary school programs but some are coordinated with reading instruction in schools operated by correctional institutions and programs for emotionally disturbed children.

Major areas of emphasis in the use of these funds are as follows: (a) the amount spent for audiovisual materials is now about 45 percent of the total spent for all materials, as compared with 16 percent in 1965-1966; (b) materials are now used to a greater extent in innovative teaching programs such as individualized instruction, interdisciplinary courses, and teaching with simulation and games; (c) targeting of funds has contributed extensively to the education of special groups of children, such as the gifted, handicapped, and bilingual children; and (d) considerable effort was made in those States with concentrations of American Indians to assist the school districts in acquiring quality materials for and about American Indians.

SUPPLEMENTAL FACT SHEET

School Library Resources

| | FY 1973 | FY 1974 (est.) |
|---|---|---|
| Appropriation.............. | $100,000,000 | $90,250,000 |
| Federal dollars available to the states............. | $90,000,000[1] | $100,250,000[1] |
| Estimated Federal dollars: State administration...... | $4,500,000 | $4,550,000 |
| Estimated Federal dollars: Acquisitions.............. | $85,500,000 | $95,700,000 |
| Number public elementary and secondary school children benefiting....... | 43,100,000 | 43,100,000 |
| Percentage of participation | 93% | 93% |
| Number non-public elementary and secondary school children benefitting...... | 5,300,000 | 5,300,000 |
| Percentage of participation | 96% | 96% |

Other accomplishments:

1. The proportion of schools with libraries has risen from 52 to 85 percent since 1966. The increase has occurred largely in elementary schools.

2. While most of the funds are used for library materials, almost $12,000,000 has been used to provide textbooks during the period 1966-1972. This was largely for use in experimental programs and in States and areas needing bilingual textbooks.

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[1] Of the $100,000,000 appropriated in FY 1973, $90,000,000 was made available to the States in FY 1973 and $10,000,000 was released in FY 1974. Work-load data reflects sums available to the States for applicable fiscal year.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| College Library Resources...... | $9,975,000 | --- | $-9,975,000 |
| New Awards............... | $9,975,000 | --- | $-9,975,000 |
| Number................. | 2,100 | --- | - 2,100 |

## Narrative

### Program Purpose

Title II, Part A, of the Higher Education Act, as amended, authorizes grants to eligible institutions of higher education and other public and private non-profit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal cooperative basis to assist and encourage them in the acquisition of library resources (including law library resources), such as books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding).

Three types of grants are awarded: (1) Basic grants up to $5,000; (2) Supplemental grants up to $20 per student with no matching required; and (3) Special purpose grants which must be matched with $1 institution money for every $3 Federal money.

### Plans for Fiscal Year 1975

Since 1966, over $135,000,000 in Federal funds have been obligated for the purchase of college library materials. These funds provided for more than 15,000 basic grants, over 7,000 supplemental grants and about 500 special purpose grants to eligible institutions. In keeping with the shift of Federal dollars away from narrow categorical aid programs toward student support, no funds are requested for the continuation of this program in fiscal year 1975.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1973 the appropriation of $12,500,000 provided for 2,061 basic grants of up to $5,000 each and 65 special purpose grants to eligible institutions. No supplemental grants were awarded. Basic grants accounted for over $10,000,000 of the total available with grants averaging $4,903 each.

In fiscal year 1974 the appropriation is $9,975,000, a decrease of $2,525,000 below the 1973 level. These funds will support about 2,100 basic grants averaging about $4,750 each. Awarding of special purpose or supplemental grants is not anticipated.

Fiscal year 1974 funds awarded for college library resources are available for expenditure by the recipient through June 30, 1975, and in most cases will be expended during fiscal year 1975.

## SUPPLEMENTAL FACT SHEET

### College Library Resources

### Funds Awarded by Type of Grant

| Fiscal Year | Basic |  | Supplemental |  | Special Purpose |  | Total |  |
|---|---|---|---|---|---|---|---|---|
|  | No. | Amount | No. | Amount | No. | Amount | No. | Amount |
| 1966 | 1,830 | $ 8,413,574 | -0- | $ -0- | -0- | $ -0- | 1,830 | $ 8,413,574 |
| 1967 | 1,989 | 9,612,865 | 1,266 | 11,316,782 | 132 | 3,577,040 | 3,387 | 24,506,687 |
| 1968 | 2,111 | 10,294,709 | 1,524 | 10,764,524 | 60 | 3,449,986 | 3,695 | 24,509,219 |
| 1969 | 2,224 | 10,929,161 | 1,747 | 10,318,415 | 77 | 3,750,000 | 4,048 | 24,997,576 |
| 1970 | 2,201 1/ | 5,484,976 | 1,783 | 4,331,024 | -0- | -0- | 3,984 | 9,816,000 |
| 1971 | 548 | 2,698,383 | 531 | 5,574,730 | 116 | 1,620,287 | 1,195 | 9,893,400 |
| 1972 | 504 | 2,509,970 | 494 | 6,833,030 | 58 | 1,650,000 | 1,056 | 10,993,000 |
| 1973 | 2,061 | 10,105,446 | -0- | -0- | 65 | 2,299,554 | 2,126 | 12,405,000 |
| 1974 (est.) | 2,100 | 9,985,000 2/ | -0- | -0- | -0- | -0- | 2,100 | 9,985,000 |
| Total | 15,568 | 70,034,084 | 7,345 | 49,138,505 | 508 | 16,346,867 | 23,421 | 135,519,456 |

1/ Basic Grants not to exceed $2,500

2/ Includes $10,000 unobligated carryover

| | 1974 Base * | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Undergraduate Instructional Equipment | $11,875,000 | --- | $-11,875,000 |

## Narrative

### Program Purpose

Under Title VI, Part A, of the Higher Education Act, as amended, grants are awarded to institutions of higher education to assist in the improvement of undergraduate programs through the purchase of instructional equipment (including closed-circuit TV) and materials and through minor remodeling.

Funds are allotted to the States by a formula based on higher education enrollment and per capita income. State commissions rank applications submitted by the institutions and recommend the Federal share which, except in hardship cases, may not exceed 50 percent of the total project cost.

### Plans for Fiscal Year 1975

No funds are requested for this program in fiscal year 1975. Since this program began in fiscal year 1966, more than $102,000,000 will have supported over 7,600 grants by the end of fiscal year 1974. Hereafter, it is proposed that Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institution of their choice.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1974, $24,375,000 is being made available to institutions of higher education for this program. These funds include the fiscal year 1974 appropriation of $11,875,000 plus the fiscal year 1973 appropriation of $12,500,000 released in fiscal year 1974. These funds are supporting about 2,200 grants to approximately 1,100 institutions of higher education.

* Excludes 1973 appropriation restoration.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Training and Demonstrations | | | |
| (a) Librarian Training........... | $2,850,000 | --- | $-2,850,000 |
| New Awards................. | $2,670,000 | --- | $-2,670,000 |
| Number.................. | 51 | --- | - 51 |
| Competing Continuing Awards | $ 180,000 | --- | $- 180,000 |
| Number.................. | 7 | --- | - 7 |

## Narrative

### Program Purpose

Title II, Part B, of the Higher Education Act, as amended, authorizes grants to institutions of higher education and library organizations or agencies to support the training of paraprofessionals and professionals in library and information science for services to all types of libraries. Such grants may be made for fellowships, traineeships, and short- and long-term training institutes for library personnel.

The Education Amendments of 1972 effective July 1, 1972, require that not less than 50 percent of the funds for librarian training be used to support fellowships and traineeships. In addition the amendments now require a statutory distribution of funds between the college library resources, library training and demonstrations programs. Of the amount appropriated for library training and demonstrations under title II-B, 66-2/3 percent must be used for librarian training.

### Plans for Fiscal Year 1975

No funds are requested for this program in fiscal year 1975. It is proposed that Federal support shift in fiscal year 1975 from the various narrow categorical training programs to a broader student assistance program. In this manner, students will determine the selection of institution and area of study that will best meet their individual needs.

### Accomplishments in Fiscal Years 1973/1974

The fiscal year 1973 appropriation was $3,572,000. Of this amount, nearly half supported the initial training or retraining of 1,301 paraprofessional and professional librarians in 26 long- and short-term institutes and the remainder supported 190 fellowships and 59 traineeships in the field of library and information sciences.

In fiscal year 1973 emphasis was placed upon the provision of more meaningful and quality library services to disadvantaged and minority groups that they might enter into the library field as professionals or paraprofessionals.

For the first time in the history of the program, eligibility was broadened to include other types of library agencies as well as institutions of higher education. As a result three public library agencies and one school library agency are operating training programs, consistent with program priorities and objectives. Of special significance is the support of 38 American Indian youths in two of the institute programs, which will enable them to enter the library field as professionals. Another institute program is supporting 15 Chicanos, who will also enter the library field as professionals in 1974.

In fiscal year 1974 the appropriation is $2,850,000, a reduction of $722,000 below the fiscal year 1973 level. These funds will support the training and retraining through 195 fellowships or traineeships, a decrease of 54 from fiscal year 1973, and about 1,065 institute participants, 236 fewer than in fiscal year 1973. In most cases awards made in fiscal year 1974 will support training during the 1974-1975 academic year.

## SUPPLEMENTAL FACT SHEET

### Librarian Training

| | FY 1973 | | Estimated FY 1974 | |
|---|---|---|---|---|
| | No. Trained | Federal Dollars | No. Trained | Federal Dollars |
| Fellowships/Traineeships | 249 | | 195 | |
| Federal dollars student support | | $ 921,282 | | $ 726,750 |
| Federal dollars institutional support | | 898,378 | | 698,250 |
| Total | | 1,819,660 | | 1,425,000 |
| Institute participants | 1,301 | | 1,065 | |
| Federal dollars student support | | 444,599 | | 363,400 |
| Federal dollars institutional support | | 1,151,885 | | 1,061,600 |
| Total | | 1,596,484 | | 1,425,000 |
| **Summary** | | | | |
| Fellowships/Traineeships and institute participants | 1,550 | | 1,260 | |
| Federal dollars student support | | 1,365,881 | | 1,090,150 |
| Federal dollars institutional support | | 2,050,263 | | 1,759,850 |
| Summary total | 1,550 | 3,416,144 | 1,260 | 2,850,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Training and Demonstrations | | | |
| (b) Library Demonstrations....... | $1,425,000 | --- | $-1,425,000 |
| New Awards................. | $ 625,000 | --- | $- 625,000 |
| Number................... | 16 | --- | - 16 |
| Competing Continuing Awards | $ 800,000 | --- | $- 800,000 |
| Number................... | 8 | --- | - 8 |

## Narrative

### Program Purpose

Title II, Part B, of the Higher Education Act, as amended, authorizes grants and contracts to institutions of higher education, and other public or private agencies, institutions, and organizations, for demonstrations, the purpose of which is to improve libraries or improve training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such projects.

Applications, which are submitted by individuals through their universities, school districts, or other eligible institutions, are reviewed by Office of Education field readers. Priorities of awards are based upon the nature of the proposed application. Of the amount appropriated for library demonstrations and training under Title II-B, 33-1/3 percent must be used for library demonstration activities.

### Plans for Fiscal Year 1975

No funds are requested under this authority for this activity in fiscal year 1975. The demonstration projects funded by this program will be eligible for support under the new library information legislative initiative planned for fiscal year 1975.

This program has supported the creation of national models from which replicable elements were derived for other communities. The attempt here is not to reach the total population but to conduct major demonstrations and report findings on alternative ways to best meet information needs. Over $18,000,000 has been appropriated for this program since 1967, supporting more than 200 projects.

### Accomplishments in Fiscal Years 1973/1974

In fiscal year 1973, this program supported the continuation of 12 ongoing demonstration projects including: (1) the innovative, multi-media community learning centers launched in Philadelphia, Pennsylvania, and Olney, Texas; (2) the demonstration of exemplary library service to the American Indian and the aging; and (3) the nontraditional study demonstration conducted by the College Entrance Examination Board in New York. These funds also supported 7 new starts.

In fiscal year 1973 priority was accorded those demonstration projects that were directed toward the provision of quality educational opportunities for economically disadvantaged people, or those for whom the traditional school and college-based educational experience have not proved effective. Priority was also given to those demonstration projects that offer new methods and alternatives for the provision of improved informational services.

In fiscal year 1974 this program will support about 24 demonstration projects averaging about $75,000 each. Eight will be continuations and 16 will be new. Projects awarded in fiscal year 1974 will be completed in fiscal year 1975 without additional funding.

## SUPPLEMENTAL FACT SHEET

## Library Demonstrations

| | FY 1973 | FY 1974 Estimate |
|---|---|---|
| Appropriation | $1,785,000 | $1,425,000 |
| Obligation | 1,632,467 | 1,539,139[1/] |
| **Sponsoring Organizations** | **Number of Projects** | |
| Institutions of Higher Education | 10 | 11 |
| Nonprofit Organizations | 1 | 2 |
| Public Libraries | 2 | 4 |
| School Related Organizations | 3 | 4 |
| State and Municipal Governments | 3 | 3 |

Subject emphasis of demonstration projects has included the following:

- Disadvantaged
- Networking
- Planning and development
- Readers services
- Education and training
- Technical services
- Information retrieval
- Identification of informational needs

1/ Includes $114,139 unobligated carryover from 1973, which supported five grants.

## OFFICE OF EDUCATION

## Library Resources

## Program Purpose and Accomplishments

Activity: Public libraries

(a) Services:
(1) Grants for public libraries (Library Services and Construction Act, Title I)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $44,155,500 | $129,675,000 | $25,000,000 |

Purpose: Title I of the Library Services and Construction Act authorizes grants to States to promote the extension and improvement of public library services in areas without such services or with inadequate services; to improve State library services for the physically handicapped and institutionalized; to improve public library services for disadvantaged persons; to strengthen State library administrative agencies; and to strengthen metropolitan libraries which serve as regional resource centers.

Explanation: Grants are made to States on a formula basis. The Federal share ranges from 33 percent to 66 percent, except for the Trust Territory which is 100 percent Federally funded, and States must match in proportion to their per capita income.

Accomplishments in 1974: In fiscal year 1974, $76,155,500 was made available to the States for library services. These funds included the fiscal year 1974 appropriation of $44,155,500 and $32,000,000 from the fiscal year 1973 appropriation released to the States in fiscal year 1974. These funds are making available new and improved library services to about 93,000,000 people. Support of library services to the State institutionalized and the physically handicapped is being maintained. Emphasis has been on support of programs to serve the disadvantaged and on Statewide projects designed to alleviate inequities with respect to access to knowledge and information.

Objectives for 1975: In fiscal year 1975, the appropriation request is $25,000,000, a reduction of $19,155,500 below the 1974 appropriation. These funds are intended to be the first step in a proposed phase-down of Federal support for this type of library aid. New legislation for the support of libraries is being proposed. This legislation will be designed to demonstrate effective library practices and to encourage and support cooperative library service patterns at the local, State and regional levels.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: **Public Libraries**

(a) Services:
  (1) Interlibrary cooperation (Library Services and Construction Act, Title III)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $2,593,500 | $17,300,000 | $ --- |

Purpose: Title III of the Library Services and Construction Act authorizes grants to States for establishing and maintaining local, State and regional cooperative networks of libraries.

Explanation: Grants are made to States on a formula basis. The Federal share is 100 percent.

Accomplishments in 1974: In fiscal year 1974, $7,363,500 in Federal funds has been made available to the States. These funds include the fiscal year 1974 appropriation of $2,593,500 plus $4,770,000 from the fiscal year 1973 appropriation released to the States in fiscal year 1974. These funds are supporting about 140 cooperative projects including joint cataloging and processing centers, reference and informational networks and joint purchasing and acquisition programs.

Objectives for 1975: No funds are recommended for this program in 1975. Proposed new legislation will encourage support for cooperative activities among all types of libraries at the local, State and regional levels.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: School Library Resources (Elementary and Secondary Education Act, Title II)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $90,250,000 | Expired | 1/ |

Purpose: Title II of the Elementary and Secondary Education Act authorizes grants to States for the procurement of school library resources, textbooks, and other printed and published instructional materials for use by students and teachers in public and private elementary and secondary schools.

Explanation: Grants are allocated to the States on a formula based on numbers of pupils in the State, after approval by the Office of Education of the State plan. The States in turn make books and materials available to public and private schools within the State, in part according to relative need.

Accomplishments in 1974: The ESEA II program is providing library and instructional resources to public and private schools serving over 48,400,000 students. About 43,100,000 are public elementary and secondary school children and about 5,300,000 are non-public elementary and secondary school children.

Objectives for 1975: In order to increase the flexibility of school officials in meeting local priorities, to provide the better planning and budgeting and administrative efficiency by State and local officials, this program will be included in the proposed consolidated education grants legislative program.

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1/ Included under proposed consolidated education grants legislation.

## OFFICE OF EDUCATION

## Library Resources

## Program Purpose and Accomplishments

**Activity:** College Library Resources (Higher Education Act of 1965, as amended, Title II-A)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $9,975,000 | $70,000,000 | $ --- |

Purpose: Title II, Part A, of the Higher Education Act, as amended, authorizes grants to eligible institutions of higher education and other public and private non-profit library institutions whose primary function is to provide library and information services to institutions of higher education on a formal cooperative basis to assist and encourage them in the acquisition of library resources including law library resources, such as books, periodicals, documents, magnetic tapes, phonograph records, audiovisual materials and other related materials (including necessary binding).

Explanation: Three types of grants are awarded: (1) basic grants up to $5,000; (2) supplemental grants up to $20 per student with no matching required; and (3) special purpose grants which must be matched with $1 institution money for every $3 Federal money. Basic grants must be awarded to all eligible institutions applying.

Accomplishments in 1974: Funding is available for basic grants only. Approximately 2,100 such grants averaging $4,750 will be awarded.

Objectives for 1975: No funds are requested for fiscal year 1975. Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institutions of their choice.

## OFFICE OF EDUCATION

### Library Resources

### Program Purpose and Accomplishments

Activity: Undergraduate Instructional Equipment (Higher Education Act of 1965, as amended, Title VI-A)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $11,875,000 | $70,000,000 | $ --- |

Purpose: Title VI, Part A, of the Higher Education Act, as amended, authorizes grants to institutions of higher education to assist in the improvement of undergraduate programs through the purchase of instructional equipment (including closed-circuit TV) and materials and through minor remodeling.

Explanation: Funds are allotted to the States by a formula based on higher education enrollment and per capita income. State commissions rank applications submitted by the institutions and recommend the Federal share which, except in hardship cases, may not exceed 50 percent of the total project cost.

Accomplishments in 1974: In fiscal year 1974, $24,186,153 has been made available to institutions of higher education for this program. These funds include the fiscal year 1974 appropriation plus the fiscal year 1973 appropriation released in fiscal year 1974. These funds are supporting about 2,200 grants to approximately 1,100 institutions of higher education.

Objectives for 1975: No funds are requested for this program in fiscal year 1975. Federal support for institutions of higher education will be concentrated on students who will carry the funds to the institution of their choice.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Training and Demonstrations

(a) Librarian Training (Higher Education Act of 1965, as amended, Title II-B)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $2,850,000 | $20,000,000 | $ --- |

Purpose: Title II, Part B, of the Higher Education Act, as amended, authorizes grants to institutions of higher education and library organizations or agencies to support the training of paraprofessionals and professionals in library and information science for services to all types of libraries. Such grants may be made for fellowships, traineeships, and short- and long-term training institutes for library personnel.

Explanation: The Education Amendments of 1972 require that not less than 50 percent of the funds for library training be used to support fellowships and traineeships. In addition, the amendments require a statutory distribution of funds between the college library resources, training and demonstrations programs. Of the amount appropriated for library demonstrations and training under title II-B, 66-2/3 percent must be used for librarian training.

Accomplishments in 1974: The fiscal year 1974 appropriation of $2,850,000 are supporting about 195 fellowships or traineeships and the training or retraining of about 1,065 paraprofessional and professional librarians in long- and short-term institutes.

Objectives for 1975: No funds are requested for this program in fiscal year 1975. Federal support will shift in fiscal year 1975 from categorical training programs to broader student assistance programs.

OFFICE OF EDUCATION

Library Resources

Program Purpose and Accomplishments

Activity: Training and Demonstrations

(b) Library Demonstrations (Higher Education Act of 1965, as amended, Title II-B)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $1,425,000 | $10,000,000 | $ --- |

Purpose: Title II, Part B, of the Higher Education Act, as amended, authorizes grants and contracts to institutions of higher education, and other public or private agencies, institutions, and organizations, for demonstrations, the purpose of which is to improve libraries or improve training in librarianship, including the development of new techniques, systems, and equipment for processing, storing, and distributing information, and for the dissemination of information derived from such projects.

Explanation: Applications are submitted by individuals through their universities, school districts, or other eligible institutions. Applications are reviewed by Office of Education field readers, and priorities of awards are based upon the nature of the proposed application. Of the amount appropriated for library demonstrations and training under title II-B, 33-1/3 percent must be used for library demonstration activities.

Accomplishments in 1974: In fiscal year 1974, about 24 demonstrations projects are being awarded, of which 8 projects are continuations from fiscal year 1973 and 16 are new. Priority is being accorded to outstanding exemplary projects which emphasize the library's potential in serving the educational and informational needs of people outside the mainstream of library users.

Objectives for 1975: No funds are requested for this program in fiscal year 1975. However, the proposed new library legislation will provide funds to support exemplary demonstration projects which are considered to have national applicability.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Library Resources

Grants for Public Library Services

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] Federal Allotment | 1974 Estimate[2] State and local Matching | 1975 Estimate[3] Federal Allotment | 1975 Estimate[3] State and local Matching |
|---|---|---|---|---|---|
| TOTAL | $62,000,000 | $44,155,500 | $44,512,178 | $25,000,000 | $24,705,979 |
| Alabama | 1,059,361 | 759,993 | 438,167 | 440,729 | 254,098 |
| Alaska | 275,396 | 250,266 | 345,605 | 222,220 | 306,875 |
| Arizona | 642,256 | 499,027 | 424,926 | 334,209 | 284,582 |
| Arkansas | 679,885 | 513,320 | 292,267 | 337,286 | 192,039 |
| California | 5,178,548 | 3,457,820 | 4,467,506 | 1,595,487 | 2,061,370 |
| Colorado | 750,738 | 565,674 | 538,080 | 361,625 | 343,985 |
| Connecticut | 956,575 | 692,704 | 1,088,484 | 410,578 | 645,164 |
| Delaware | 336,759 | 289,772 | 370,000 | 239,039 | 305,221 |
| Florida | 1,894,048 | 1,328,176 | 1,158,114 | 702,310 | 612,385 |
| Georgia | 1,345,154 | 949,013 | 711,262 | 523,592 | 392,419 |
| Hawaii | 392,103 | 326,870 | 429,249 | 255,789 | 335,905 |
| Idaho | 377,904 | 318,358 | 222,699 | 251,619 | 176,014 |
| Illinois | 2,973,071 | 1,995,768 | 2.688.034 | 968,746 | 1,304,772 |
| Indiana | 1,495,883 | 1,042,158 | 996,094 | 561,401 | 536,587 |
| Iowa | 904,882 | 659,300 | 591,744 | 397,177 | 356,480 |
| Kansas | 761,170 | 562,462 | 557,980 | 355,062 | 352,232 |
| Kentucky | 1,003,257 | 726,108 | 471,299 | 426,029 | 276,525 |
| Louisiana | 1,109,017 | 793,075 | 504,283 | 455,565 | 289,675 |
| Maine | 447,931 | 362,522 | 249,950 | 270,147 | 186,260 |
| Maryland | 1,178,686 | 843,502 | 1,000,621 | 476,759 | 565,565 |
| Massachusetts | 1,619,517 | 1,125,345 | 1,372,646 | 596,269 | 727,302 |
| Michigan | 2,414,440 | 1,644,708 | 1,897,631 | 816,213 | 941,730 |
| Minnesota | 1,149,411 | 819,895 | 777,096 | 465,068 | 440,791 |
| Mississippi | 753,146 | 561,338 | 289,174 | 354,241 | 182,487 |
| Missouri | 1,367,068 | 957,524 | 855,281 | 524,550 | 468,539 |
| Montana | 373,263 | 314,022 | 240,885 | 248,952 | 190,970 |
| Nebraska | 570,224 | 442,176 | 414,588 | 304,468 | 285,472 |
| Nevada | 321,946 | 281,903 | 386,272 | 236,441 | 323,979 |
| New Hampshire | 384,060 | 321,731 | 273,185 | 252,918 | 214,755 |
| New Jersey | 1,988,543 | 1,373,143 | 1,893,912 | 702,447 | 968,852 |
| New Mexico | 453,504 | 367,821 | 239,445 | 273,565 | 178,086 |
| New York | 4,738,809 | 3,146,747 | 4,759,654 | 1,455,741 | 2,201,900 |
| North Carolina | 1,468,035 | 1,028,346 | 709,312 | 556,957 | 384,167 |
| North Dakota | 354,139 | 300,853 | 206,830 | 243,346 | 167,295 |
| Ohio | 2,857,807 | 1,924,624 | 1,985,624 | 933,057 | 962,630 |
| Oklahoma | 838,565 | 617,546 | 449,396 | 380,017 | 276,544 |
| Oregon | 721,826 | 543,512 | 491,552 | 349,387 | 315,985 |
| Pennsylvania | 3,142,723 | 2,111,235 | 2,104,490 | 1,013,938 | 1,010,699 |
| Rhode Island | 436,967 | 354,010 | 351,189 | 266,250 | 264,128 |
| South Carolina | 846,365 | 622,845 | 370,053 | 383,777 | 228,015 |

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] Federal Allotment | 1974 Estimate[2] State and local Matching | 1975 Estimate[3] Federal Allotment | 1975 Estimate[3] State and local Matching |
|---|---|---|---|---|---|
| South Dakota | 366,239 | 308,241 | 211,120 | 246,491 | 168,827 |
| Tennessee | 1,179,126 | 841,414 | 543,402 | 478,400 | 308,960 |
| Texas | 2,993,719 | 2,035,274 | 1,666,571 | 993,359 | 813,406 |
| Utah | 464,301 | 375,851 | 259,677 | 277,052 | 191,416 |
| Vermont | 310,966 | 272,910 | 213,214 | 231,450 | 180,823 |
| Virginia | 1,359,855 | 958,006 | 822,674 | 525,780 | 451,506 |
| Washington | 1,050,629 | 752,766 | 784,432 | 433,687 | 451,930 |
| West Virginia | 635,208 | 483,931 | 301,034 | 322,723 | 200,753 |
| Wisconsin | 1,302,328 | 918,339 | 818,636 | 509,440 | 454,131 |
| Wyoming | 282,942 | 254,442 | 221,595 | 223,656 | 194,783 |
| District of Columbia | 388,758 | 320,928 | 651,581 | 251,414 | 510,447 |
| American Samoa | 46,776 | 44,362 | 22,853 | 41,857 | 21,563 |
| Guam | 61,208 | 53,650 | 27,638 | 45,811 | 23,600 |
| Puerto Rico | 876,685 | 635,538 | 327,398 | 385,420 | 198,549 |
| Trust Territory | 62,691 | 54,004 | --- | 46,218 | --- |
| Virgin Islands | 55,587 | 50,032 | 25,774 | 44,271 | 22,806 |

1/ Includes funds released before the end of FY 1973 as well as FY 1973 impounded funds released during FY 1974.

2/ Estimated distribution with a minimum allotment of $200,000 to the 50 States, D.C., and Puerto Rico, and $40,000 to the other outlying areas; the remainder distributed on the basis of the total resident population, 7/1/71 for the States and D.C., 4/1/70 for the outlying areas. Required matching expenditures computed on the basis of FY 1974-75 "Federal Share" percentages.

3/ Estimated distribution with a minimum allotment of $200,000 to the 50 States, D.C., and Puerto Rico, and $40,000 to the other outlying areas; the remainder distributed on the basis of the total resident population, 7/1/72 for the States and D.C., 4/1/70 for the outlying areas. Required matching expenditures computed on the basis of FY 1974-75 "Federal Share" percentages.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Library Resources

Interlibrary Cooperation

| State or Outlying Area | 1973 Budget Authority1/ | 1974 Estimate2/ | 1975 Estimate |
|---|---|---|---|
| TOTAL | $7,500,000 | $2,593,500 | $ --- |
| Alabama | 129,879 | 47,893 | --- |
| Alaska | 47,885 | 40,708 | --- |
| Arizona | 86,255 | 44,215 | --- |
| Arkansas | 90,190 | 44,416 | --- |
| California | 560,695 | 85,916 | --- |
| Colorado | 97,600 | 45,154 | --- |
| Connecticut | 119,129 | 46,944 | --- |
| Delaware | 54,303 | 41,265 | --- |
| Florida | 217,177 | 55,901 | --- |
| Georgia | 159,769 | 50,557 | --- |
| Hawaii | 60,092 | 41,788 | --- |
| Idaho | 58,607 | 41,668 | --- |
| Illinois | 330,030 | 65,310 | --- |
| Indiana | 175,534 | 51,869 | --- |
| Iowa | 113,722 | 46,473 | --- |
| Kansas | 98,692 | 45,109 | --- |
| Kentucky | 124,011 | 47,415 | --- |
| Louisiana | 135,072 | 48,359 | --- |
| Maine | 65,931 | 42,291 | --- |
| Maryland | 142,359 | 49,070 | --- |
| Massachusetts | 188,464 | 53,042 | --- |
| Michigan | 271,604 | 60,362 | --- |
| Minnesota | 139,297 | 48,737 | --- |
| Mississippi | 97,852 | 45,093 | --- |
| Missouri | 162,061 | 50,677 | --- |
| Montana | 58,121 | 41,607 | --- |
| Nebraska | 78,721 | 43,413 | --- |
| Nevada | 52,754 | 41,154 | --- |
| New Hampshire | 59,250 | 41,716 | --- |
| New Jersey | 227,060 | 56,534 | --- |
| New Mexico | 66,513 | 42,365 | --- |
| New York | 514,704 | 81,532 | --- |
| North Carolina | 172,621 | 51,675 | --- |
| North Dakota | 56,121 | 41,421 | --- |
| Ohio | 317,974 | 64,307 | --- |
| Oklahoma | 106,786 | 45,885 | --- |
| Oregon | 94,577 | 44,842 | --- |
| Pennsylvania | 347,773 | 66,937 | --- |
| Rhode Island | 64,784 | 42,171 | --- |
| South Carolina | 107,602 | 45,960 | |

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] | 1975 Estimate |
|---|---|---|---|
| South Dakota | $ 57,387 | $ 41,526 | $ --- |
| Tennessee | 142,405 | 49,040 | --- |
| Texas | 332,189 | 65,867 | --- |
| Utah | 67,643 | 42,478 | --- |
| Vermont | 51,606 | 41,028 | --- |
| Virginia | 161,307 | 50,683 | --- |
| Washington | 128,965 | 47,791 | --- |
| West Virginia | 85,517 | 44,002 | --- |
| Wisconsin | 155,290 | 50,124 | --- |
| Wyoming | 48,675 | 40,767 | --- |
| District of Columbia | 59,742 | 41,704 | --- |
| American Samoa | 10,709 | 10,061 | --- |
| Guam | 12,218 | 10,192 | --- |
| Puerto Rico | 110,773 | 46,139 | --- |
| Trust Territory | 12,373 | 10,206 | --- |
| Virgin Islands | 11,630 | 10,141 | --- |

1/ Includes funds released before the end of FY 1973 as well as FY 1973 impounded funds released during FY 1974.

2/ Estimated distribution with a minimum allotment of $40,000 to the 50 States, D.C., and Puerto Rico, $10,000 for the other outlying areas, and the balance distributed on the basis of the total resident population, 7/1/71 for the 50 States and D.C. and 4/1/70 for the outlying areas. No State or local matching amount required.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

### Library Resources

### School Library Resources

| State or Outlying Area | 1973 Budget Authority 1/ | 1974 Estimate 2/ | 1975 Estimate |
|---|---|---|---|
| TOTALS | $100,000,000 | $90,250,000 | --- |
| Alabama | 1,576,446 | 1,417,852 | --- |
| Alaska | 154,768 | 146,657 | --- |
| Arizona | 880,504 | 833,587 | --- |
| Arkansas | 899,666 | 804,423 | --- |
| California | 9,555,979 | 8,536,517 | --- |
| Colorado | 1,114,779 | 1,026,488 | --- |
| Connecticut | 1,474,526 | 1,335,140 | --- |
| Delaware | 284,778 | 260,008 | --- |
| Florida | 2,913,723 | 2,704,985 | --- |
| Georgia | 2,138,801 | 1,911,403 | --- |
| Hawaii | 395,231 | 360,767 | --- |
| Idaho | 359,913 | 327,988 | --- |
| Illinois | 5,372,023 | 4,876,093 | --- |
| Indiana | 2,567,276 | 2,307,156 | --- |
| Iowa | 1,409,424 | 1,255,562 | --- |
| Kansas | 1,052,428 | 930,912 | --- |
| Kentucky | 1,502,616 | 1,35[illegible],508 | --- |
| Louisiana | 1,839,047 | 1,66[illegible]90 | --- |
| Maine | 511,820 | 463,[illegible]49 | --- |
| Maryland | 1,976,418 | 1,787,959 | --- |
| Massachusetts | 2,653,547 | 2,429,112 | --- |
| Michigan | 4,607,269 | 4,198,424 | --- |
| Minnesota | 1,989,124 | 1,777,743 | --- |
| Mississippi | 1,051,644 | 936,130 | --- |
| Missouri | 2,276,926 | 2,021,406 | --- |
| Montana | 361,392 | 326,976 | --- |
| Nebraska | 709,282 | 643,619 | --- |
| Nevada | 251,573 | 230,488 | --- |
| New Hampshire | 362,994 | 335,975 | --- |
| New Jersey | 3,396,759 | 3,085,657 | --- |
| New Mexico | 567,813 | 516,306 | --- |
| New York | 8,159,503 | 7,423,067 | --- |
| North Carolina | 2,299,340 | 2,037,649 | --- |
| North Dakota | 305,974 | 270,752 | --- |
| Ohio | 5,282,833 | 4,775,569 | --- |
| Oklahoma | 1,212,516 | 1,086,694 | --- |
| Oregon | 972,750 | 872,473 | --- |
| Pennsylvania | 5,527,967 | 5,000,836 | --- |
| Rhode Island | 441,064 | 401,728 | --- |
| South Carolina | 1,250,369 | 1,141,558 | --- |

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 339,742 | 303,545 | --- |
| Tennessee | 1,772,102 | 1,587,853 | --- |
| Texas | 5,596,863 | 4,979,429 | --- |
| Utah | 584,952 | 528,228 | --- |
| Vermont | 224,964 | 206,217 | --- |
| Virginia | 2,154,844 | 1,928,041 | --- |
| Washington | 1,650,100 | 1,461,184 | --- |
| West Virginia | 783,532 | 710,237 | --- |
| Wisconsin | 2,305,507 | 2,086,738 | --- |
| Wyoming | 170,599 | 152,533 | --- |
| District of Columbia | 316,966 | 279,769 | --- |
| American Samoa | 30,000 | 30,000 | --- |
| Guam | 81,342 | 74,769 | --- |
| Puerto Rico | 2,045,600 | 1,828,294 | --- |
| Trust Territory | 96,064 | 86,589 | --- |
| Virgin Islands | 43,693 | 56,339 | --- |
| Bureau of Indian Affairs | 142,325 | 125,229 | --- |

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[1] Includes funds released before the end of FY 1973 as well as FY 1973 impounded funds released during FY 1974.

[2] Estimated distribution of funds to the 50 States and D.C. on the basis of total estimated public and nonpublic elementary and secondary school enrollment, Fall 1971. 2.5% of the 50 States and D.C. amount distributed on the basis of total estimated public and nonpublic elementary and secondary school enrollment, Fall 1971, except B.I.A., FY 1971, and Trust Territory, 6/30/72, with a minimum of $30,000.

### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
### Office of Education

### Library Resources

### Undergraduate Instructional Equipment

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] | 1975 Estimate |
|---|---|---|---|
| TOTAL | $12,500,000 | $11,875,000 | --- |
| Alabama | 188,847 | 179,966 | --- |
| Alaska | 9,383 | 10,794 | --- |
| Arizona | 152,946 | 147,808 | --- |
| Arkansas | 100,321 | 93,954 | --- |
| California | 1,452,766 | 1,396,536 | --- |
| Colorado | 191,640 | 179,866 | --- |
| Connecticut | 156,243 | 149,937 | --- |
| Delaware | 33,086 | 33,135 | --- |
| Florida | 362,150 | 346,547 | --- |
| Georgia | 215,439 | 207,599 | --- |
| Hawaii | 54,070 | 52,716 | --- |
| Idaho | 60,583 | 56,364 | --- |
| Illinois | 594,625 | 565,207 | --- |
| Indiana | 295,573 | 281,834 | --- |
| Iowa | 186,700 | 173,828 | --- |
| Kansas | 166,835 | 153,507 | --- |
| Kentucky | 171,356 | 164,370 | --- |
| Louisiana | 212,444 | 208,064 | --- |
| Maine | 55,005 | 51,926 | --- |
| Maryland | 197,519 | 186,520 | --- |
| Massachusetts | 428,601 | 402,944 | --- |
| Michigan | 540,628 | 496,965 | --- |
| Minnesota | 257,558 | 232,345 | --- |
| Mississippi | 141,846 | 134,725 | --- |
| Missouri | 282,861 | 263,901 | --- |
| Montana | 54,665 | 47,290 | --- |
| Nebraska | 108,308 | 97,631 | --- |
| Nevada | 17,671 | 17,233 | --- |
| New Hampshire | 50,553 | 47,826 | --- |
| New Jersey | 260,421 | 259,898 | --- |
| New Mexico | 73,602 | 72,641 | --- |
| New York | 1,006,694 | 954,472 | --- |
| North Carolina | 304,447 | 295.449 | --- |
| North Dakota | 57,640 | 50,322 | --- |
| Ohio | 564,587 | 533,722 | |
| Oklahoma | 189,227 | 177,227 | --- |
| Oregon | 175,694 | 166,387 | --- |
| Pennsylvania | 612,688 | 579,534 | --- |
| Rhode Island | 67,674 | 65,170 | --- |
| South Carolina | 128,499 | 129,455 | --- |

| State or Outlying Area | 1973 Budget Authority[1] | 1974 Estimate[2] | 1975 Estimate |
|---|---|---|---|
| South Dakota | 55,055 | 50,343 | --- |
| Tennessee | 238,863 | 225,830 | --- |
| Texas | 695,648 | 663,903 | --- |
| Utah | 140,249 | 129,825 | --- |
| Vermont | 38,411 | 38,005 | --- |
| Virginia | 232,148 | 225,378 | --- |
| Washington | 258,003 | 244,799 | --- |
| West Virginia | 112,989 | 104,822 | --- |
| Wisconsin | 318,932 | 301,075 | --- |
| Wyoming | 25,031 | 23,733 | --- |
| District of Columbia | 84,433 | 81,000 | --- |
| American Samoa | --- | 763 | --- |
| Guam | 4,070 | 4,341 | --- |
| Puerto Rico | 113,183 | 113,767 | --- |
| Trust Territory | --- | 223 | --- |
| Virgin Islands | 1,570 | 1,576 | --- |

[1] Includes funds released before the end of FY 1973 as well as FY 1973 impounded funds released during FY 1974.

[2] Estimated distribution with 50% distributed on the basis of estimated full-time and full-time equivalent of degree-credit and nondegree-credit enrollment in institutions of higher education, Fall 1971 and 50% distributed on the basis of the State product of the FY 1974 allotment ratios, with limits of .66 2/3 and .33 1/3, and the above-listed enrollment.

Tuesday, April 9, 1974.

## EDUCATIONAL ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

### WITNESSES

PETER P. MUIRHEAD, DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION
DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION
S. W. HERRELL, ACTING ASSISTANT DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION
DR. ROBERT LEESTMA, DIRECTOR, DIVISION OF INTERNATIONAL EDUCATION
RICHARD RANNEY, EXECUTIVE OFFICER, DIVISION OF INTERNATIONAL EDUCATION
WILLIAM J. BAREFOOT, JR., EXECUTIVE OFFICER, BUREAU OF POSTSECONDARY EDUCATION
DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER, OFFICE OF PLANNING
CORA P. BEEBE, ACTING BUDGET OFFICER
CHARLES W. SCHNELLBACHER, BUDGET ANALYST
CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET

### WITNESS INTRODUCTION

Mr. Flood. We have the Office of Education, Educational Activities Overseas, the Special Foreign Currency program. The presentation will be made by Peter P. Muirhead, the Deputy Commissioner for Postsecondary Education.

We have already placed Mr. Muirhead's biographical sketch in a prior record.

Mr. Muirhead. Mr. Chairman, I should like to say now that we are being joined by Dr. Robert Leestma, Director of our Division of International Education and Mr. Richard Ranney, Executive Officer of the Division of International Education.

Mr. Flood. I see you have a statement on this subject. How do you want to handle it?

Mr. Muirhead. I have a very short statement and with your permission I would like to read it.

Mr. Flood. Suppose you do.

### OPENING STATEMENT

Mr. Muirhead. Mr. Chairman and members of the committee, the 1975 budget request for $2 million in U.S.-owned foreign currencies is to assist American education in providing selected training and research programs abroad in foreign languages, area studies, and world affairs.

The program seeks to improve the quality of foreign language and area studies instruction in the United States primarily by developing or upgrading the technical capabilities and intercultural insights of potential teachers, practicing teachers, and others in leadership positions in education. Most of the program participants engage in a variety of research and training activities, develop instructional materials for use in U.S. institutions, and acquire valuable firsthand knowledge of the languages and cultures they expect to teach.

The $2 million requested would enable the Office of Education to fund approximately 80 projects which is 40 more than would have been funded under the fiscal year 1974 appropriation, but about eight projects less than the total program for that year, when both the appropriation and unobligated funds brought forward from previous years are combined.

The amount requested would help improve the quality of scholarship and teaching about the non-Western World in U.S. schools and colleges, promote research to advance our knowledge of other countries and cultures, and help assist comparative studies of educational topics of international concern. The fiscal year 1975 request is $1 million more than the 1974 appropriation, but about $500,000 less than the total program obligations for that year which amounted to about $2.5 million. This total included $1.5 million in funds carried over from the previous year, the result of sensitive political conditions in two of the major foreign currency countries. Since the close of the 1972 fiscal year there has been a steady increase in the number of education projects permitted in these countries and a working out of mutually acceptable program guidelines.

The use of U.S.-owned excess foreign currencies in support of carefully selected educational research, training, and curriculum development activities abroad will help American schools and colleges better prepare Americans to meet the contemporary challenge of better international understanding.

I will be pleased to respond to your questions.

### SENSITIVE POLITICAL CONDITIONS

Mr. FLOOD. In your opening statement you indicated that funds were carried over from previous years because of sensitive political conditions in two of these foreign countries. Which countries were you referring to? Is the situation still sensitive?

Mr. MUIRHEAD. The sensitive political condition we have identified here are the sensitive political conditions in India and Egypt. Our good associate commissioner in charge of International Education can, if you wish, develop that a little more.

Mr. FLOOD. Yes.

Dr. LEESTMA. As you know, Mr. Chairman, there was rather a difficult period in the relationship between the United States and India over the India-Pakistan conflict.

Mr. FLOOD. Was?

Dr. LEESTMA. I think that has been reasonably well resolved by now, and the picture has improved considerably so far as our educational program is concerned. We fully anticipate being able to resume the former level of activity subject, of course, to the availability of funds.

Mr. FLOOD. Of course sensitive political conditions have nothing to do with your program.

Dr. LEESTMA. Unfortunately, sir, they did. Two sets of circumstances occurred more or less simultaneously, and we did endeavor to summarize this situation briefly in our hearing before this committee last year.

There was on the one hand a significant political difference of opinion over the U.S. posture with respect to Pakistan during the India-Pakistan conflict.

The second circumstance was that the Government of India was taking another look at the activities of all foreign programs within its boundaries. In that second case there was a period of time——

Mr. **Flood**. And it affected the Soviets also.

Dr. **Leestma**. The various programs of all foreign governments were under review, but since the United States has a larger program in India than most other countries it hit us harder in terms of number of projects either delayed or canceled.

Mr. **Flood**. They were looking closer at your libraries than at naval bases, I suppose.

Dr. **Leestma**. That could be, but as you know, this program does not maintain either libraries or naval bases over there.

### 1974 FUNDS AVAILABLE

Mr. **Flood**. Total funds available for fiscal year 1974 amounted to $2.5 million. How much of that was obligated as of March 31?

Dr. **Leestma**. As you understand, Mr. Chairman, the overseas programs of the Office of Education are more complicated than the domestic programs because they have an additional series of review processes to go through, including concurrence by the host government, embassy, et cetera. As a result, we have at the moment the full amount you see here, the $1 million you appropriated for fiscal 1974 and the carryover funds, a grand total of approximately $2.5 million, in the final stages of obligation. That is to say, subject to the final review at this or that check point, the basic decisions have been made on what projects will be funded and most of these proposals are most of the way through the process. Some of them are all the way through the process, depending upon the particular country, the special requirement, or the technicality concerned.

### EXCESS FOREIGN CURRENCIES

Mr. **Flood**. Which of the foreign currencies are you planning to use in fiscal 1975?

Dr. **Leestma**. In which countries are we proposing to fund projects with this appropriation request?

Mr. **Flood**. Yes.

Dr. **Leestma**. For practical purposes there are only five countries left with excess foreign currencies available to us. Those countries are: India, Poland, Egypt, Pakistan, and Tunisia.

### POLISH ZLOTYS

Mr. **Flood**. What is the foreign currency situation in Poland with the zloty's? At one time we had zloty's all over the lot, a half billion or something like that. Aren't the U.S. holdings in these currencies declining very rapidly?

Dr. **Leestma**. Yes; the situation in Poland has changed significantly.

Mr. **Flood**. How much do we have in zloty's now, about?

Dr. LEESTMA. The last accounting we have is as of June 30 of last year, and at that time the total dollar equivalent balance was $319 million. The situation has changed in the sense that the amount of money and purchasing power have declined with time and inflation and the rate of use has increased. As a result, last year for the first time the U.S. Government undertook a coordinated planning effort for the use of U.S.-owned zloty's remaining in Poland. There is an interagency group under the leadership of the Department of State that worked on this problem and eventually set limits for each of the Federal agencies interested in using the available zloties.

Mr. FLOOD. How many rupies in dollars in India today?

Dr. LEESTMA. The Indian situation has been complicated as you know, by the very large accumulation of rupies. The size of the overhang has been of great concern to the Government of India for sometime, not only because the expenditure of large sums from this balance could contribute to inflation, but also because the substantial interest payments were continuing to increase the total debt.

Ambassador Moynihan last year was able to negotiate a settlement of the problem. We do not yet have a concise, official summary of that for you from the Department of State. But in essence it is our understanding that the Indian Government prepaid in full the total debt due in Public Law 480 funds, and the U.S. Government then granted that same amount plus all of its present Public Law 480 holdings back to the Government of India for development purposes. The consolidated total of U.S. holdings and outstanding claims involved was about $2.2 billion equivalent. Thus the Public Law 480 slate has been wiped clean.

Mr. FLOOD. In Poland the zlotys you can't take out of there.

Dr. LEESTMA. No.

Mr. FLOOD. I am always concerned that some government may change and just hold a meeting and they will be gone.

Here is the Bicentennial. Why wouldn't a bright young fellow like you come up with the idea of a very practical memorial to General Pulaski. I don't mean a monument or fish pond or something like that, but a great hospital or a series of nursing homes or things of that sort, which would contribute to your image and also dispose of the zlotys which we can't take out of there anyhow. It would be difficult for them to say no if we propose a great public service monument with our zlotys to General Pulaski at the Bicentennial. Imagine what you can do with that.

Dr. LEESTMA. There are some very interesting ideas——

Mr. FLOOD. There is one.

Dr. LEESTMA. In the scenario you presented. We are not in the business of monument building or hospitals or nursing homes although other agencies within our Department may be.

Mr. FLOOD. I understand that.

Dr. LEESTMA. But we are interested in, you might say, living memorials for intercultural understanding of the type some of our projects represent.

If I may return for a moment to the earlier testimony on the situation in Poland. As noted earlier, the decrease in the amount of money available and the increasing rate of usage by several agencies of the

Federal Government have led to a coordinated interagency planning effort. We—the Office of Education—have been given a ceiling of $300,000 worth of zloty's per year and a projection that this $300,000 figure will be available to us for each of the next 5 years.

This is a historic first in terms of long-range planning for the use of excess foreign currency funds. This is the first time that a reasonably firm allocation has been made provisionally available with a time frame that coincides with the full 5-year planning cycle of the Department. Therefore it gives us an opportunity to go ahead and plan in very systematic terms for a 5-year period.

As you anticipated so accurately a few moments ago, part of our plans will include appropriate linkage with the Bicentennial within the framework of the ethnic heritage theme which is central to both the Bicentennial and our relationships with Poland.

Mr. FLOOD. I guess you said the OMB put a ceiling on the Polish currency.

Dr. LEESTMA. Yes.

Mr. FLOOD. When was that done?

Dr. LEESTMA. Our allocation is $300,000 worth a year.

Mr. FLOOD. When did they impose that ceiling?

Dr. LEESTMA. A few months ago.

Mr. FLOOD. I didn't know that.

Dr. LEESTMA. OMB is the vehicle for announcing it, but the Department of State works out the various allocations in consultation with the department and agencies concerned.

Mr. FLOOD. They have been talking about it for a long time. I didn't know it.

Dr. LEESTMA. They have done it recently. There are other DHEW agencies which also received ceilings, and Mr. Miller may be able to talk on that.

Mr. FLOOD. Next time you see the striped pants boys say you were talking to Flood and see if you can dust off the Pulaski business and watch the expression on their faces.

Dr. LEESTMA. Yes, sir.

### PROJECTS IN EGYPT

Mr. FLOOD. What projects have you had most recently in Egypt?

Dr. LEESTMA. We have had different projects over years, but we have had for a few years now a similar project each year—the Center for Arabic Studies Abroad. This is an especially significant program.

Mr. FLOOD. But the American public knows nothing about this. It is a shame right now. Somebody should see they do.

Go ahead.

Dr. LEESTMA. We have had individual research projects by American faculty members. We have had some doctoral dissertation research projects in Egypt. We regularly assist selected American graduate students in their advanced training in Arabic languages and area studies at Arab universities, and one of our research projects is now engaged in the final stages of producing an up-to-date dictionary of contemporary spoken Egyptian Arabic.

### PROJECT REVIEW PROCESS

Mr. Flood. Who makes the final review of the projects you want to conduct in foreign currency countries?

Dr. Leestma. There are several stages of review. The final stage within our agency and department is by the recommendation of the international studies program to the Commissioner, and his determination in turn is put before the Board of Foreign Scholarships for final approval.

Mr. Flood. How many people serve on that board?

Dr. Leestma. Twelve.

Mr. Flood. How do they get there?

Dr. Leestma. They are appointed by the President.

### COST-SHARING

Mr. Flood. Your budget indicates that you plan to give continuing attention to cost-sharing arrangements. With whom do you share the cost? How does that work?

Dr. Leestma. This has been a feature of our program for some time. Bear in mind that most overseas projects in fact have a dollar component in this country.

Mr. Flood. We are talking about revenue sharing around here but nobody brings up cost sharing much.

Dr. Leestma. It is part of the faith we live by.

Most overseas projects have a dollar cost dimension. Those dollar costs normally occur in this country. They are most frequently found in the form of contributions to the faculty retirement fund, to other faculty staff benefits, perhaps partial salary payments to a faculty member himself in the case of a faculty member, maybe continuing obligations for insurance, taxes, and things of that sort.

Under this program we make no contribution in dollars to any dollar costs that any participant may have in the United States or anywhere else.

In addition, because of the relatively small amount of money available and the very large task before us, as an article of faith we tend to fund these programs very tightly indeed. And in the case of per diem rates for both faculty and students who are abroad under this program we hold to probably the tightest per diem rates of any agency in Government. We announce in our program brochures that go out each year that there is the cost-sharing element. This is true not only on the dollar side, but also with respect to the U.S.-owned excess foreign currencies involved. While the amount of money available for per diem costs abroad represents a significant contribution toward the participants' expenses, we make it clear that in all probability the amount does not cover all of the costs of the participants.

### COOPERATIVE RESEARCH

Mr. Flood. I never cease to marvel at the language of the justifications. It makes some of Cecil DeMille's old scripts look dull. You describe the two studies you plan to conduct in what you refer to as "interinstitutional cooperative research."

I dare you.

Mr. MUIRHEAD. You dare me?

Mr. FLOOD. There are two studies in this thing.

Mr. MUIRHEAD. Yes.

Mr. FLOOD. Go ahead.

Dr. LEESTMA. This was a new program concept we advanced a few years ago. You recall at that point the great bulk of the research function of OE was still contained within OE in what was then called the National Center for Educational Research and Development. Those research functions and programs were subsequently absorbed into the National Institute of Education.

Since the Office of Education had one consolidated excess foreign currency appropriation, we endeavored to insure that all the research programs of OE had access to this money in support of those activities which were OE research priorities in improving American education, where it made sense to do so.

As we have discussed in earlier years, unfortunately the research establishments in most of the countries where there are Public Law 480 currencies are not as well developed in some of the areas of particular concern to OE as the American educational research capabilities; therefore, this program has always been small.

As an example of one kind of project we would be interested in: A few years ago there was a development in Yugoslavia of a new way to help handicapped children with hearing difficulties.

Mr. FLOOD. What part of the country?

Dr. LEESTMA. I don't recall.

Currently we are looking together with the Bureau for the Handicapped, which, as you know, still has a research mandate and program—we are working toward the prospects of a joint project with Polish authorities on sharing research findings on certain matters pertaining to the handicapped.

The intention here was to be sure that if there were research developments in Poland that could be useful to American education, then the OE Bureau concerned, in this case the Bureau for the Handicapped, in cooperation with the International Division of the Office of Education would match up their dollars and our excess foreign currency to tap the research knowledge in another country for the benefit of American education.

Mr. FLOOD. How did you get tied up in Yugoslavia?

Dr. LEESTMA. Through some information source or another it came to the attention of the Office of Education that there was a researcher there working on that particular subject which was of interest to the educational community in the United States.

Mr. FLOOD. With Serbs, Slovenians, or Croats?

Dr. LEESTMA. It was in Croatia, at the University of Zagreb.

### "GREEN REVOLUTION"

Mr. FLOOD. One of the activities you are supporting this year is the "green revolution." The agricultural people are talking about green thumbs. What in the world is a green revolution? Something to distinguish it from a red revolution or what?

Dr. LEESTMA. The green revolution is a name that was given to the development of the almost miraculous new, high-yielding strains of first rice and then wheat. The rice was developed basically in the Philippines, the wheat primarily in Mexico, initially under Rockefeller Foundation grants, later with heavy AID involvement.

Mr. FLOOD. Did we supply the seeds there?

Dr. LEESTMA. There is a major agricultural research establishment in the Philippines, the International Rice Research Institute, a comparable kind of capability in Mexico, a similar agricultural research organization developing in Colombia in Latin America, and related programs on other continents. The objective is to take the best characteristics of the best strains of the major feed grains and the basic foodstuffs of life for the majority of the people on Earth and see if new higher yielding disease- and drought-resistent strains could be developed that would produce far more pounds or kilos per acre or per hectare, whatever the local unit of measure might be.

Over the years imaginative and highly technical research on rice, for example, was developed in the Philippines, the results of which have since been proven effective throughout Southeast Asia and in India and elsewhere. In fact with the new rice seed, fertilizer, and improved farm practices it is possible for the average farmer to double or triple and sometimes even quadruple the yield. The whole phenomenon has been dubbed the "green revolution."

One of our projects does in fact involve a study of the implications of the green revolution in a particular country. The title of the project is Analysis of the Impact of the Green Revolution in Agriculture on the Political Process in Bihar, one of the states in India. That happens to be a project carried out by a faculty member in political science and economics, a very interesting and productive blend of disciplines for such a subject. The scholar involved is a faculty member from Bucknell University, in a very important State in the East.

Mr. FLOOD. Mr. Patten?

Mr. PATTEN. I really have no questions.

### DIFFICULTIES EXPERIENCED

Mr. CONTE. In what countries are you having the most difficulty using excess local currency for your programs? What are the kinds of problems you encounter?

Dr. LEESTMA. During the past year or two we have experienced difficulties in obtaining host country clearances for some of our group projects in India and Egypt, and a number of our individual grantees were unable to secure visas from those countries. The difficulties stemmed from the political differences of opinion that existed between the countries at that time, not with our educational projects. Since then U.S. diplomatic relations with India and Egypt have greatly improved and, therefore, so has the climate for conducting educational activities within the countries. We have also experienced an increased receptivity to U.S. educational projects on the part of the Government of Pakistan. We expect no special difficulties in any of these countries in the coming year.

As noted earlier, some of these governments have taken a close look at all foreign educational activities conducted within their countries and as a result developed criteria for acceptable program planning. We now provide our grantees with special guidelines for projects to be conducted in each country where such special requirements may exist. In the case of India, for example, the guidelines provide for some host country coordination of projects including affiliation with an Indian academic institution and involvement of an Indian codirector. On such matters we continue to work closely with the appropriate embassies, Fulbright commissions where they exist, and the Department of State.

### DOLLAR AMOUNT OF APPLICATIONS

Mr. CONTE. What was the total amount for which you received applications for special foreign currency programs in 1973? 1974?

Dr. LEESTMA. In 1973, we received over 200 applications amounting to requests for $5,462,984 in dollar equivalent of foreign currency funds. To date, applications for fiscal year 1974 program funds have amounted to approximately $4,450,000 in foreign currency equivalent funds.

The decrease in the dollar value of proposals received is largely attributable to the reduction in opportunities for the educational use of excess foreign currencies abroad. For example, U.S.-owned excess foreign currency is no longer available for educational projects in Yugoslavia. There are severe restrictions on the amount of Tunisian dinars available, and the beginning of limitations on Polish zlotys. There is also the understandable uncertainty felt by some members of the academic community as result of the political difficulties which caused project delays or cancellation in the past.

### COMPETITIVE PROJECTS

Mr. CONTE. Are these programs purely competitive, or do you invite proposals of special kinds or from special groups?

Dr. LEESTMA. All of the projects funded under this appropriation are selected through annual national competitions. Eligible educational institutions and organizations are invited to apply for awards through program brochures which are widely distributed annually throughout the educational community. Ideas on possible worthwhile projects are sometimes suggested or encouraged by various staff members at meetings of professional organizations, but proposals are submitted by institutions or organizations in accordance with published criteria and all undergo competitive review.

### TRAINEE FOLLOWUP

Mr. CONTE. Do you have any data on present employment of those who have received training under this program—are they in academic

Dr. LEESTMA. Much of the special foreign currency appropriation goes to assist inservice teacher training or faculty development, to expand and improve the skills of people already employed in the profession. Participants in group projects are mainly elementary and secondary school teachers, curriculum supervisors or administrators, as well as college-level faculty members. They are employed in schools, colleges, and universities across the Nation and their experience abroad helps them improve their knowledge, skills, and insights as educators.

In the case of the faculty fellowships, each candidate for a fellowship must be endorsed by his institution as someone with whom the institution has or anticipates a long-term relationship. That is, he or she must be a faculty member who is central to the institution's long-range plans for international studies program development. Most are tenured faculty members. We have numerous examples from past grantees of increased effectiveness following the grant—new courses introduced, old ones amplified and revitalized, curriculum requirements altered, language fluency enhanced, publications completed, et cetera.

In the case of the doctoral dissertation research fellowship program, fellowships are awarded primarily to graduate students who go on to teaching careers in higher education. We are in the process of determining the current career status of a random sample of former doctoral fellows. Based on the preliminary responses received so far, 85 percent of the participants have already received Ph. D.'s; 72 percent are currently teaching, and 70 percent have published material derived from their research abroad. Some of the former fellows are associated in one capacity or another with various Government agencies, businesses, and private organizations.

## COST-SHARING

Mr. CONTE. What are the cost-sharing requirements for institutions receiving support under this program? Put that in the record.

[The information follows:]

Cost-sharing requirements are described in our various program brochures. Here are the relevant sections from the published announcements on three programs:

### GROUP PROJECTS ABROAD

Group Projects Abroad is a cost-sharing program. The general objectives of the financial provisions are to (1) provide suitable research, training, and curriculum development opportunities abroad for as many educators in international/intercultural studies as is feasible within the funds available, and (2) cover the special expenses involved because the activity is carried out abroad. The Federal maintenance allowance is a substantial supplement which will clearly cover most costs, but it is not intended to provide each participant with an all-expenses-paid experience.

The sponsoring institutions, project participants, or other non-Institute of International Studies sources must provide project-related expenses within the United States such as American faculty salaries, contributions to faculty retirement, health and accident insurance, administrative expenses, or predeparture and postproject activities. Dollar funds will not be authorized to cover project-related expenses in countries where foreign currencies are available.

### FACULTY RESEARCH ABROAD

Under present fiscal constraints and program priorities, the Office of Education will be unable to provide dollar support costs in the United States that may be required in any fellowships awarded under this program in 1974–75. Dollar support costs in the United States such as health and accident insurance, contributions to faculty retirement, and administrative expenses must be borne by the individual, institution, or other non-Government sources. The scarce funds available under this OE program are to be used only for necessary expenses abroad. Allowable costs include travel in both dollar and excess foreign currency countries.

### FOREIGN CURRICULUM CONSULTANTS

The foreign curriculum consultant program is a cost-sharing program. Funds from the Office of Education, the grantee institution, or a combination of both, will provide each consultant with transportation, maintenance, and other related costs, as specified below.

Funds from the Office of Education grant will finance the following costs:

1. Jet economy international travel (for the consultant only) to and from the U.S. assignment via Washington, D.C.

2. Unaccompanied baggage allowance (air cargo) for a total of 300 pounds round trip.

3. Health and accident insurance (for the consultant only) under a Government-contracted group insurance policy.

4. Fifty percent of a $1,000 per month maintenance allowance. This allowance is subject to withholding for U.S. Federal, State and local taxes where applicable.

5. Allowance for a maximum of four dependents provided at the following rates: $150 per month for the first accompanying dependent, $50 per month for each additional accompanying dependent, $25 per month for nonaccompanying dependents.

Funds from the grantee institution will provide the following costs:

1. Fifty percent of the $1,000 per month maintenance allowance. As noted above, the allowance is subject to withholding for U.S. Federal, State, and local taxes where applicable.

2. Travel costs within the United States incurred by the consultant in connection with his or her assignment.

NOTE.—If the grantee institution is located in an unusually high-cost area of the United States, it is the responsibility of the grantee institution to provide such adidtional financial assistance as local circumstances may require. Before entering into a grant agreement, the institution should be certain that the total funds available to the consultant will enable him to maintain himself appropriately in the local community.

### INSTRUCTIONAL MATERIALS

Mr. CONTE. What kinds of instructional materials have been developed under the program and do you have any indication of how widely they have been used?

Dr. LEESTMA. Instructional materials have ranged from the collection of artifacts, statistical data, and documents which explain life and processes in other cultures to the development of standardized language tests, audiovisual materials, research handbooks, basic texts, and curriculum guides. Examples of curriculum improvements resulting from participation in OE-funded programs abroad under the excess foreign currency appropriation can be supplied for the record.

[The information follows:]

### COLLEGE LEVEL

1. Updating or expanding material in existing courses.

2. Adding a new unit to existing courses. (A professor of economics, for example, introduced a unit on Pakistan in a course on Economics of Developing Countries. The unit "comes at the end of the course and serves as a 'real world' example to illustrate the theory and principles studied initially.")

3. Introducing a new course taught by a single professor or by a team of specialists (for example, the "Culture of India" offered cooperatively by an economist, a specialist in religion, another in literature, and a political scientist).

4. Introducing a new major, minor, or a new field for an advanced degree (such as East European Studies or International Trade and Business).

### ELEMENTARY AND SECONDARY LEVEL

1. Developing resource units which provide examples of lifestyles and values different from the traditional European-American patterns and norms to help

students in social studies classes understand other cultural systems and perspectives. (For example, data on Moroccan family life for elementary school pupils studying the family; or decisionmaking in Indian society for junior high school students examining the decisionmaking process.)

2. Providing a contemporary perspective on other countries. (For example, teaching about life and development in modern Egypt instead of portraying Egypt as primarily a land of pyramids, pharoahs, and mummies.)

3. Compiling a master guide of educational materials on India available in the United States.

Various projects in recent years provide specific examples of curricular impact:

1. Curriculum materials on "Social Change in Urban Environments" were produced by 25 professors from the Great Lakes Colleges Association (GLCA) following a summer seminar in Yugoslavia. One unit included a slide presentation which provided a general introduction to Yugoslavia and selected cities, followed by an illustrated analysis of housing in that country. Because of a clear need for such materials, the slides and accompanying materials were reproduced by GLCA for dissemination throughout the consortium.

2. The University of Kansas, in cooperation with the University of Poznan, Poland, has completed the following materials for use in Polish language instruction in American colleges: advanced Polish dialogues, standardized tests for advanced students, phonetic drill materials, and a revised anthology of Polish literature.

3. The Indiana Consortium for International Programs, a group of some 20 public and private colleges and universities that cooperate in international activities, utilized a curriculum consultant from India to help develop materials for use in preparing Indiana teachers to conduct classes on world cultures. Following the consultant's preparatory work in Indiana, Indiana State University sponsored a summer seminar in India for teacher-leaders. The participants developed materials on such subjects as "Population Problems of India" and "Communal Problems: the Untouchables." Workshops have subsequently been held throughout the State to train many other teachers in the use of these materials.

Dr. LEESTMA. With regard to the second part of your question, the extent of distribution varies according to the project. Depending upon the educational organization sponsoring the project and the purpose of the project, some resulting materials automatically receive districtwide or statewide distribution. In some cases, national distribution of materials is made available through such agencies as the Foreign Area Materials Center in New York, or through such nationwide professional organizations as the American Association of Colleges for Teacher Education and the American Association of Community and Junior Colleges. States seeking to implement new curriculum requirements in non-Western studies use the products of overseas curriculum development and training programs in statewide teacher workshops or on educational TV networks.

Foreign curriculum consultants work with regional groups at all educational levels to help revise curricula, develop related instructional materials, and conduct inservice-training programs in the use of cross-cultural materials. Doctoral and faculty research fellows assisted under this appropriation develop instructional materials for use in their respective colleges and universities, and prepare textbooks and other teaching materials for use by the American scholarly community.

In summary, then, the cumulative impact of the variety of materials produced through the many projects over a period of several years has been considerable. We are currently endeavoring to develop a reasonably accurate estimate of the total number of teachers and students who have come in contact with the instructional materials produced under this appropriation in recent years. We expect to have the results to share with you about this time next year.

Mr. FLOOD. Thank you.

# JUSTIFICATION OF THE BUDGET ESTIMATES

OFFICE OF EDUCATION

Educational Activities Overseas
(Special Foreign Currency Program)

## Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $1,000,000 | $2,000,000 |
| Unobligated balance, start of year | 1,539,056 | --- |
| Total, obligations | 2,539,056 | 2,000,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $2,539,056 |
| 1975 Estimated obligations | 2,000,000 |
| Net change | -539,056 |

| | Base | Change from Base |
|---|---|---|
| Decreases: | | |
| A. Program: | | |
| 1. Grants to American institutions | $2,539,056 | $-539,056 |
| Total, net change | | -539,056 |

## Explanation of Changes

Decreases:

A. Program:

1. Grants to American institutions.--The budget request of $2,000,000 for fiscal year 1975 is an increase of $1,000,000 above the amount which was appropriated in fiscal year 1974. The fiscal year 1974 appropriation was $1,000,000. However, the obligational authority in fiscal year 1975 represents a decrease of $539,056 below the amount available in fiscal year 1974. In fiscal year 1974, the amount available is $2,539,056 which includes $1,539,056 in unobligated carryover funds from fiscal year 1973. In fiscal year 1975, the obligational authority is $2,000,000.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

Educational Activities Overseas
(Special Foreign Currency Program)

Obligations by Activity

| Page Ref. | | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 172 | Grants to American institutions (Total obligations).......... | $2,539,056 | $2,000,000 | $ -539,056 A/ |

Explanation of Changes:

A/ The budget request of $2,000,000 for fiscal year 1975 is an increase of $1,000,000 above the amount which was appropriated in fiscal year 1974. The fiscal year 1974 appropriation was $1,000,000. However, the obligational authority in fiscal year 1975 represents a decrease of $539,056 below the amount available in fiscal year 1974. In fiscal year 1974, the amount available is $2,539,056 which includes $1,539,056 in unobligated carryover funds from fiscal year 1973. In fiscal year 1975 the obligational authority is $2,000,000.

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Travel and transportation of persons......................... | $ 10,000 | $ 10,000 | $ --- |
| Other services.................... | 130,000 | 82,000 | - 48,000 |
| Grants, subsidies and contributions.................... | 2,399,056 | 1,908,000 | -491,056 |
| Total obligations by object.... | 2,539,056 | 2,000,000 | -539,056 |

## Authorizing Legislation

| Legislation | 1975<br>Authorized | 1975<br>Appropriation requested |
|---|---|---|
| Mutual Educational and Cultural Exchange Act of 1961 (P.L. 87-256; Sections 102(b)(6) and 105(d)....... | Indefinite | $ 2,000,000 |
| Agricultural Trade Development and Assistance Act of 1954; Section 104, (b)(2) and (3), Special Foreign Currency...................................... | Indefinite | |

## Educational Activities Overseas
(Special Foreign Currency Program)

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $ 500,000 | $ 500,000 | $ 500,000 | $ 500,000 |
| 1966 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 1967 | 1,800,000 | 1,800,000 | 1,000,000 | 1,000,000 |
| 1968 | 7,400,000 | 4,600,000 | --- | --- |
| 1969 | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 1970 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 1971 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 1972 | 3,000,000 | 3,000,000 | 4,000,000 | 3,000,000 |
| 1973 | 5,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 1974 | 3,000,000 | 2,000,000 | 1,000,000 | 1,000,000 |
| 1975 | 2,000,000 | | | |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants to American Institutions: | | | |
| Appropriation | $1,000,000 | $2,000,000 | $+1,000,000 |
| Obligations | 2,539,056 | 2,000,000 | -539,056 |
| New Awards | 88 | 80 | -8 |

General Statement

Sections 102(b)(6) and 105(d) of the Mutual Educational and Cultural Exchange Act (Fulbright-Hays, P.L. 87-256) and Sections 104(b)(2) and (3) of the Agricultura Trade Development and Assistance Act (P.L. 83-480) authorize the use of funds acquired from the sale of surplus agricultural commodities abroad, loan repayments, and other sources for educational purposes. The Office of Education uses the foreign currencies, which are declared by Treasury to be in excess of U.S. Government operational needs, to help develop American capabilities in international and intercultural education through selected research and training activities abroad. Funds are currently available in Egypt, India, Pakistan, Poland and Tunisia.

Narrative

Program Purpose

U. S.-owned excess foreign currency is used to strengthen American education through research and training abroad sponsored by American institutions. Projects focus on foreign languages, area studies, world affairs, and intercultural understanding and are designed to expand and improve the professional competence of American educators, to produce new knowledge through research, and to develop improved curricula and instructional materials for all levels of American educatio

Grants are made to U.S. institutions of higher education, individual researchers, State and local education agencies, and non-profit educational organizations. With the advice of a panel of outside consultants, applications are recommended for approval by the Director of the Division of International Education Recommended projects are forwarded to appropriate U.S. diplomatic missions for comments on feasibility and political sensitivity. A final review is made by the Board of Foreign Scholarships, an autonomous body appointed by the President to provide general supervision for all programs carried out under the aegis of P.L. 87-256.

Plans for Fiscal Year 1975

A total of $2,000,000 in available foreign currencies is requested for fiscal year 1975 to fund a total of 80 individual and group projects for 764 participants. A significant number of the group projects will be geared toward assisting States t retrain teachers to meet new curriculum requirements in world cultures. Program management will stress curriculum development because of its inherent multiplier effect and will seek maximum effectiveness through encouragement of cooperative arrangements with colleges and universities, school systems, professional associations, and non-profit educational organizations. Continuing attention will be given to cost-sharing arrangements.

Specific program plans include the following:

1. Group Training and Curriculum Development.--Approximately 28 awards will help provide first-hand study and relevant educational experience in another culture as well as preparation of curriculum guides and teaching materials for improving instruction of international and intercultural studies in American schools and institutions of higher education. Group projects will be carried out in academic year 1975-76 (beginning with

summer 1975) and the 560 participants will include educators, administrators, and advanced students specializing in foreign language and area studies.

2. Advanced Language Training.--Six projects will provide advanced-level language instruction and cultural orientation in special summer and year-long intensive programs in selected non-Western languages, such as Polish, Arabic, and Hindi-Urdu, for teachers and prospective teachers of foreign languages and area studies.

3. Research and Studies.--Approximately 40 fellowships will be awarded for the production of new knowledge by key faculty members and by doctoral candidates engaged in dissertation research. Two research contracts will be awarded for linguistic studies or preparation of foreign language textbooks, and two contracts for the compilation of research reference materials (including bibliographies and translation of selected foreign publications on education).

4. Inter-Institutional Cooperative Research.--Two comparative studies will help investigate educational topics of transnational concern, such as environmental education.

## Accomplishments for Fiscal Year 1973-74

In fiscal year 1973, a total of $2,198,205 was obligated, providing assistance to more than 600 individuals participating in 70 projects conducted in India, Poland, Yugoslavia, Arab Republic of Egypt, and Morocco during summer 1973 and academic year 1973-74.

Funds in the amount of $1,089,416 helped support 22 group projects abroad for training and curriculum development involving 387 advanced students and faculty members for all levels of the American educational spectrum; $586,822 provided 8 advanced level language training programs for 175 students; $371,666 supported 19 individual faculty and 17 doctoral research fellowships; $73,386 funded two contracts for the preparation of foreign language textbooks; and $17,920 was utilized for bibliographic projects in cooperation with the National Science Foundation.

Representative examples of projects assisted under the Special Foreign Currency Programs in 1973 include:

1. Twelve key classroom teachers and supervisors, under the sponsorship of the University of North Carolina in Greensboro and with the cooperation of the North Carolina State Department of Public Instruction are producing curriculum materials following an educational seminar in Pakistan during the summer of 1973. The project was designed to help implement new North Carolina curriculum requirements for world cultures.

   Using the inquiry method, the group proceeded from general cultural concepts to specific examples in their own and Pakistani societies. Followup workshops in North Carolina will make possible the development of textual and audio-visual curricular components for intercultural study in 7th and 12th grade classes throughout the State.

2. Fifteen faculty members from teacher training colleges in Utah and Colorado studied in Egypt for eight weeks during the summer of 1973. In cooperation with 15 Egyptian scholars, they explored the interrelationships of educational planning and modernization in order to prepare curriculum materials on Egypt for use in teacher education courses throughout the United States. Six weeks were spent at Ain Shams University in Cairo and the University of Alexandria, with one week of field study and a final week of analysis and evaluation. Lectures and papers prepared by participants will be coordinated for nationwide distribution through the facilities of the American Association of Colleges for Teacher Education.

3. Thirty-two nationally-selected American graduate students specializing in South Asian Studies each received advanced training in one of five different Indian languages through an academic year program in India, sponsored by the American Institute of Indian Studies (AIIS). AIIS represents a national consortium of 27 colleges and universities which are engaged in the teaching of Indian languages and area studies.

   Each of the five language groups received instruction at an Indian university in the region where the language is spoken.

   The program offers aspiring South Asia specialists an opportunity to gain research-level competence in an Indian language and coordinates such training efforts through the AIIS consortium.

4. Fellowships for research abroad enabled 19 faculty members and 17 doctoral candidates to conduct projects in 6 foreign currency countries during 1973-74. Many of these studies utilized interdisciplinary research techniques in exploring a variety of significant academic subjects and issues. Examples of research topics include: the interaction of Islamic tradition and modernization; urbanization, migration and economic development in Western India; citizen participation in community decisions in Poland; decision making in Indian agricultural policy: the "Green Revolution"; and a comparative analysis of urban development decisions in selected cities of Pakistan.

In fiscal year 1974, an amount of $2,539,056 will support 88 projects in foreign languages, area studies, and world affairs. Cost-sharing requirements and cooperative institutional arrangements will maximize program impact and effectiveness. Specifically, assistance will be provided for about 43 group projects for training, curriculum development, and advanced language instruction: 20 faculty research fellowships, 20 fellowships for doctoral dissertation research; 3 research contracts; and 2 educational bibliographic projects undertaken in conjunction with the National Science Foundation. Projects will be carried out during summer 1974 and academic year 1974-75.

| | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| I. Program Statistical Data: | | | |
| Total number of participants .... | 602 | 905 | 764 |
| Total number of grants .......... | 70 | 88 | 80 |
| Average cost .................... | $31,403 | $28,852 | $25,000 |
| Total cost ...................... | $2,198,205 | $2,539,056 | $2,000,000 |
| II. Estimated Obligations by Program Category | | | |
| Group Training and Curriculum Development ..................... | $1,089,416 | $1,377,234 | $920,000 |
| Advanced Language Training ...... | $586,822 | $586,822 | $500,000 |
| Research and Studies ............ | 521,967 | 575,000 | 530,000 |
| Inter-institutional Cooperative Research ....................... | -- | -- | 50,000 |

## OFFICE OF EDUCATION

Educational activities overseas
(Special foreign currency program)

### Program Purpose and Accomplishments

Activity: Grants to American institutions

| | 1974 | 1975 | |
|---|---|---|---|
| | | Authorization | Budget Estimate |
| Appropriation | $1,000,000 | Indefinite | $2,000,000 |
| Obligations | (2,539,056) | | (2,000,000) |

Purpose: U. S.-owned excess foreign currency is used to strengthen American education through research and training abroad sponsored by American institutions. Projects focus on foreign languages, area studies, world affairs, and intercultural understanding and are designed to expand and improve the professional competence of American educators, to produce new knowledge through research, and to develop improved curricula and instructional materials for all levels of American education.

Explanation: Applications are received from U. S. institutions of higher education, individual researchers, State education agencies, public school systems and non-profit education agencies. With the advice of outside consultants, the program staff reviews projects and recommends approval to the Director of the Institute of International Studies. The recommended projects are forwarded to appropriate U. S. diplomatic missions and binational commissions for comment on feasibility and host country concurrence. A final review of all programs conducted under the Fulbright-Hays Act is made by the Board of Foreign Scholarships, an autonomous body appointed by the President which provides general supervision for all programs carried out under the aegis of the Act.

Accomplishments in 1974: The program will include a total of 88 projects with an estimated 905 participants. This includes 43 group projects, 20 faculty research fellowships, 20 fellowships for doctoral dissertation research, 3 research contracts, and 2 educational bibliographic projects.

Objectives for 1975: The estimate for 1975 provides for a total of 80 projects with an estimated 764 participants. This includes 34 group projects, 40 fellowships for faculty and doctoral dissertation field research, 2 research contracts, 2 educational bibliographic projects, and 2 inter-institutional cooperative research abroad projects.

MONDAY, APRIL 22, 1974.

## HIGHER EDUCATION

### WITNESSES

**PETER P. MUIRHEAD, DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION**

**S. W. HERRELL, ACTING ASSISTANT DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**DR. JOHN EVANS, ACTING DEPUTY COMMISSIONER, OFFICE OF PLANNING**

**DR. JOHN PHILLIPS, ACTING ASSOCIATE COMMISSIONER FOR STUDENT ASSISTANCE**

**DR. LEONARD H. O. SPEARMAN, DIRECTOR, DIVISION OF STUDENT SUPPORT AND SPECIAL PROGRAMS**

**DR. WILLA PLAYER, DIRECTOR, DIVISION OF INSTITUTIONAL DEVELOPMENT**

**DR. ROBERT LEESTMA, DIRECTOR, DIVISION OF INTERNATIONAL EDUCATION**

**PETER K. U. VOIGT, DIRECTOR, DIVISION OF BASIC GRANTS**

**WILLIAM J. BAREFOOT, JR., EXECUTIVE OFFICER, BUREAU OF POSTSECONDARY EDUCATION**

**JAMES W. MOORE, ACTING DIRECTOR, OFFICE OF GUARANTEED STUDENT LOANS**

**CORA P. BEEBE, ACTING BUDGET OFFICER**

**JESSE E. O. BERRY, BUDGET ANALYST**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

Mr. FLOOD. The committee will come to order.

We now have the Office of Education, Higher Education, and the presentation will be made by Peter P. Muirhead, the Deputy Commissioner for Postsecondary Education.

We have endless sketches of your biography, Peter, unless there is something you want to take out or put in.

Mr. MUIRHEAD. Mr. Chairman, you already have a record of it and it is already too dreary.

Mr. FLOOD. We will place it in the record.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: Peter P. Muirhead.

Position: Deputy Commissioner for Postsecondary Education.

Birthplace and date: Ayr, Scotland, November 27, 1911.

Education: State University of New York (Albany), B.S.; University of Rochester, M.A.; Cornell University, graduate study; New York University, graduate study; and Syracuse University, graduate study.

Experience: 1973: Deputy Commissioner for Postsecondary Education; 1971–72: Executive Deputy Commissioner of Education; 1970: Associate Commissioner for Higher Education; 1969: Acting Deputy Commissioner of Education; 1968–69: Acting Commissioner of Education; 1968: Acting Deputy Commissioner of Education; 1965: Associate Commissioner for Higher Education; 1961–64: Assistant Commissioner of Education (Program and Legislative Planning); 1959–61: Director, Higher Education Programs, National Defense Education Act; 1958–59: Chief, Student Loan Program NDEA; 1948–58: Director, New York State Regents Examinations and Scholarships Programs (New York State Education Department); 1937–44: Supervising Principal (Henrietta, New York); 1934–37: High School History Teacher (Avon, New York).

Association memberships: American Society for Public Administration; Foreign Policy Association; Alexandria Council on Human Relations; Alexandria Little Theater; St. Andrews Society; and University of Rochester Alumni Association.

Mr. Muirhead. May I have the privilege of introducing to you some of the people accompanying me, some before you for the first time, Mr. Chairman. Because we are before you with such an important part of our budget request in the Office of Education we have taken the liberty of bringing quite a number of people with us so we might be responsive to your questions.

I am pleased to report the Commissioner of Education is with us, Commissioner Ottina. And Mr. Herrell who is the Acting Assistant Deputy Commissioner for Postsecondary Education. And Deputy Commissioner for Planning, John Evans. And our new appointment, Acting Associate Commissioner for Student Assistance, Dr. Phillips.

Mr. Flood. How long have you been on board?

Dr. Phillips. About 4 months.

Mr. Muirhead. I am pleased to report also that Dr. Leonard Spearman is here in charge of our division of student support and special programs. That title is rather innocuous. That means he is in charge of all of the student aid programs overseen by the colleges. Dr. Player is the director of the Division of Institutional Development and she has under her direction the developing institutions program I am sure you are interested in. We are pleased Dr. Leestma is with us, our director of the Division of International Education. Mr. Voight is with us, the director of our newest program in the Office of Education, the basic grants program, and he is the director of the Division of Basic Grants. We have with us Mr. Barefoot, the executive officer who keeps us all straight in the Bureau of Postsecondary Education and Mr. Moore who has been with us in other capacities and today is with us as the director of the Office of Guaranteed Student Loans. We have had with us constantly during the hearings our able budget officer, Mrs. Beebe. Accompanying her is Mr. Berry, our budget analyst, and our constant companion, Charles Miller.

Mr. Flood. I see you have a prepared statement. What do you want to do about this?

Mr. Muirhead. Mr. Chairman, I do have a statement, and, if it meets with your pleasure and with your permission, I should like to read it.

Mr. Flood. Suppose you do.

## OPENING STATEMENT

Mr. Muirhead. Mr. Chairman and members of the committee:

I am pleased to appear here today to present our fiscal year 1975 appropriation request of $2,110,023,000 for Higher Education. This represents an increase of $247,076,000 over the comparable 1974 amount adjusted for the authorized 5-percent reduction.

Mr. Flood. When you first showed up here back during the War Between the States, do you remember the first figure you asked us for offhand? Just for fun.

Mr. **Muirhead**. By rather strange coincidence that figure has remained with me through the years.

I appeared before [illegible]. Chairman, in support of the Higher Education programs under the National Defense Education Act, and that was the first budget we presented to you in 1959, and we asked for a total for all of the Higher Education programs then of $40 million.

I could sharpen it just a little bit more by saying that for one of the programs which has remained so popular down through the years, the National Defense Student Loan program, our first request of you, Mr. Chairman, was for $6 million.

Mr. **Flood**. You leave that now for the elevator operators, I guess. Go ahead.

### OVERVIEW

Mr. **Muirhead**. The basic goal of the Office of Education is to equalize educational opportunity at all levels of education for all individuals. This goal is carried out under the Higher Education appropriation through programs designed both to remove financial and motivational barriers to postsecondary education and to afford choice in the selection of school and course of study according to the individual's interests and career needs. The budget proposes $1,865,000,000 to fund aid programs which best serve this goal: Basic Educational Opportunity Grants, Guaranteed Student Loans and Work Study. These programs together will assist an estimated 2,500,000 students in meeting postsecondary education costs in 1975-76—more students than ever before in our Nation's history.

To further encourage the enrollment and continued attendance of eligible disadvantaged students at postsecondary institutions, thus better insuring equality of educational opportunity, $70,331,000 is requested for special programs for the disadvantaged. These programs offer the full range of pre- and post-enrollment counseling and other services for low-income students.

Finally, to assist those schools which have traditionally served low-income and minority students in improving the quality of education offered, we are requesting $120,000,000 under the aid to developing institutions program.

In summary the Office of Education's three major student assistance efforts, together with special programs for the disadvantaged, and aid to developing institutions, account for 97 percent of the total Higher Education budget request.

### STUDENT ASSISTANCE

In keeping with the acknowledged Office of Education goal of equalizing educational opportunity, the emphasis in the Higher Education appropriation is on a package of student-aid programs. Our strategy is based on the assumption that students and their families should share in the cost of postsecondary education according to their financial ability. The Federal share begins with a basic grant which may cover up to half the cost of attendance, less appropriate family contributions. With this grant in hand, a student may proceed to assemble an aid package by obtaining a guaranteed loan from a lending institution, and/or work-study assistance from the school he attends. These two complements to basic grants, however, do not and should not exhaust the varieties available for a student-aid package. Continued and expanded State and private assistance and self-help opportunities are essential and must be relied upon as well.

### BASIC EDUCATIONAL OPPORTUNITY GRANTS

The Basic Education Opportunity Grant program is the Office of Education's major student-assistance program. The $1,300,000,000 requested to fully fund this program represents over 60 percent of the total Higher Education budget request. The requested level will provide grants ranging from $200 to $1,400 to an estimated 1,600,000 undergraduate students. Full funding will extend eligibility to part-time as well as full-time students at all four undergraduate levels as originally authorized and will also provide full entitlement to all undergraduates who are carrying at least half of a normal full-time load. In 1973, an appropriation of only $122,100,000 required limiting eligibility to first year, full-time students in order to award grants of any meaningful size. Similarly, with an appropriation of $475,000,000 in fiscal year 1974, grants will be limited to full-time first- and second-year students during the 1974–75 college year. Furthermore, even with these restrictions on eligibility it will be necessary to reduce grants below full entitlement in order to stay within the funds available.

To assist us in better managing the program we are requesting special appropriation language covering three areas:

#### 1. ADMINISTRATIVE CONTRACTS

A part of the appropriation is needed for administrative contracts. Both the 1973 and 1974 appropriations included language to set aside $11,500,000 for this purpose and we are requesting the same language for fiscal year 1975. It should be noted that this amount is requested in light of all four undergraduate classes being eligible for participation in the program. The authority to expend the full amount would not be used unless required for the effective administration of the program. For example, the program was able to fund both the fiscal year 1973 and fiscal year 1974 program years through the administrative set-aside authorized in the 1973 appropriation which permits us to expend the full $475 million for student awards during the coming academic year.

#### 2. ADJUSTMENTS IN AWARDS

We are requesting language that will permit us to carry over into academic year 1976–77 funds which are appropriated in 1975 for use in academic year 1975–76 but which are not spent. Awards to students will be made on the basis of the best available estimates and we anticipate that we will always have either a surplus or deficit after awards are made. The payment schedule required by law depends upon estimates of the universe of need, the family contributions, and the cost of attendance and actual data will not be available until all applications are in and all the awards made. While we expect these estimates to improve as we gain experience, they will never be perfect. A deficit can be handled through a request for a supplemental appropriation. However, a surplus of funds would require the Office of Education to increase each student's award in an amount proportional to the amount available since current law requires that funds be used for the particular academic year for which they were appropriated. These adjustments are likely to be very small but they are required, nevertheless, without special point-of-order language. The procedure to allocate such surplus is cumbersome and expensive because of the need to first assess the exact amount of the surplus and then to locate all the recipients. Checks probably could not be mailed until well into the academic year following the year in which the initial basic grant was made. In many cases, this procedure would result in students being overfunded in other awards and thus requiring student financial aid officers to adjust these other awards downward at a point in time well after completion of the academic year for which the awards were made. With authority to carry any surplus into the next academic year the expense and confusion of this administrative procedure will be avoided.

### 3. COLLEGE BASED PROGRAMS

Present legislation requires that no payments may be made for basic grants until the older, campus-based programs received base level funding, specifically, $130 million for supplemental grants, $286 million for NDEA student loan capital, and $236 million for work-study. To permit a concentration of student aid funds in the basic grant, work-study, and guaranteed loan purposes, which we believe comprise the most effective combination for equalizing educational opportunity at the post-secondary level, we are requesting your approval of special appropriation language that would waive the requirement to first fund supplemental grants and direct loans. Accordingly, while we are requesting full funding for the basic grant program, increased support for the guaranteed loan program, and more than the stipulated base level for the college work-study program, we are not requesting funds for the supplemental grant program or for new capital contributions to the direct loan program.

### GUARANTEED STUDENT LOANS

The second major Federal student aid program we are proposing to fund is the guaranteed student loan program which further extends the opportunity for education by providing access for all students to a loan from a bank or other lending institution. Like basic grants, this assistance may be used by the student at the school of his or her choice. Students eligible for participation include not only students from families having up to $15,000 adjusted income, who will have the interest paid for them while they are in school, but also students from families above the $15,000 adjusted income level, who have need for a long-term loan at reasonable rates of interest. Moreover, graduate students may also obtain these loans to continue their education. In fiscal year 1975, we expect this program will provide 979,000 loans amounting to $1.3 billion. To help assure that sufficient federally subsidized loans will be available to students, the Education Amendments of 1972 authorized the establishment of a student loan marketing association. This association serves as a secondary market which deals in student loan paper and increases the supply of lendable funds.

Costs related to the guaranteed student loan program are actually covered under three appropriations. Under this appropriation we are requesting $315 million to cover interest benefits on new and prior year loans to students eligible for such subsidies as well as related costs. We shall be appearing before you soon to discuss our requests for this program which appear under the student loan insurance fund and in the "Salaries and expenses" appropriation.

### WORK-STUDY

As I mentioned above, basic grants provide the foundation on which a student may build his or her student aid package. One possibility for additional aid is the work-study program. While work-study aid, unlike basic grants or guaranteed loans, is tied to a particular institution, it does afford the student an opportunity to earn a part of the cost of his education and at the same time to contribute valuable service to his school or community. The $250,000,000 we are requesting for work-study will enable 520,000 students to earn an average of $580 each during academic-year 1975–76.

### OTHER STUDENT AID PROGRAMS

1. The supplemental education opportunity grant program, formerly known as the educational opportunity grant program, was one of the major Federal student aid programs. However, with the establishment of the basic grant program, the supplemental grant program became duplicative. Equally significant however, is the fact that in being restricted by State formula and institutional application procedures, the supplemental grant program lacks the equity in determining need and the freedom for the recipient to choose his or her school that the basic grant program is designed to provide. Moreover, funding supplemental grants means there is less money available to fully fund basic grants. We have therefore requested no funds for this activity.

2. National direct student loans have also been a major source of student aid for many years. With full funding of the basic grant program coupled with the increased availability of guaranteed student loans, there is now less need for the traditional national direct student loans. Our budget therefore requests no appropriation for additional Federal capital contributions although $6.4 million are required for teacher and military cancellations. I would like to point out, however, that this action does not eliminate all national direct student loans. An estimated $165 million will be available for new loans in academic year 1975–76 from repayments to institutional revolving funds on prior national direct student loans. At an average loan of $500, this amount will provide loans to 330,000 students.

3. Incentive grants for State scholarships. The 1975 budget anticipates that the three major Federal student aid programs combined with State and institutional assistance programs will move signifi-

cantly toward the goal of removing financial need as a barrier to postsecondary education. Consequently, in order to insure adequate funding for the Federal student aid programs and remain within the level of resources available, we are not requesting funds for the State incentive grants program.

### COOPERATIVE EDUCATION PROGRAM

For cooperative education we are requesting $10,750,000, the full amount authorized and the same as the amount requested and appropriated for 1974. This amount will support about 240 projects involving 300,000 students. About 30 percent of the funds will go to community colleges. Our request includes the full $750,000 authorized for research and training in order to improve the effectiveness of cooperative education programs.

Since cooperative education and work-study are sometimes thought to have the same goal, I would like to mention some basic differences for the record. I should like to point out that cooperative education is not a student aid program as such. Rather it is a career education effort which primarily assists institutions to establish and operate programs of work experience related to a student's field of study. A student's eligibility for cooperative education work assignments is not based on financial need but is determined by his or her career objectives. Consequently, cooperative education programs typically alternate periods of full-time work with periods of full-time study, while work-study jobs typically are performed during out-of-class hours or during vacation. Moreover, the cooperative education program funds no student wages but instead is intended to help with an institutions' cost of administering the program. Wages are paid by the employer. By contrast, work-study funds pay 80 percent of the student salaries.

### SPECIAL PROGRAMS FOR THE DISADVANTAGED

Since financial assistance alone may not be sufficient to increase the attendance of eligible low-income students at postsecondary institutions and insure equality of educational opportunity, $70,331,000 has been requested for the continuation of special programs for the disadvantaged. This is the same as the fiscal year 1974 request and appropriation. This year we are requesting the appropriation as a single item rather than dividing it. By consolidating funds for this activity, a varying mix of funds can be devoted to these programs from year to year, according to national and regional needs. The amount requested will fund 854 projects and will aid 268,000 students.

### INSTITUTIONAL ASSISTANCE

We are requesting $152,252,000 for aid to institutions of higher education, a decrease of $45,058,000 under the fiscal year 1974 adjusted appropriation.

### DEVELOPING INSTITUTIONS

Our principal institutional aid program is title III of the Higher Education Act. We are requesting $120 million for developing institutions, the full amount of the authorization and an increase of $20 million above the fiscal year 1974 adjusted appropriation. Even with full implementation of our student aid strategy with its emphasis on increasing opportunities for choice, it is anticipated that large numbers of students will depend on the "developing" institutions for some time to come to provide access to a postsecondary education. In order to improve these schools, and thus more fully realize the goal of equal educational opportunity for their students, a substantial increase in funding is proposed. This program is composed of two components, the basic institutional support component and the advanced institutional development component.

The budget request contains $52 million to continue funding Basic Institutional Support Programs at the 1974 level. Under the Advanced Program, large grants extending over a 3- to 5-year period and supporting a carefully structured program are provided to the stronger institutions which have been aided by this program in order to accelerate their transition to fully developed status. For this purpose, we are requesting $68 million, an increase of $20 million over the 1974 level.

### FOREIGN LANGUAGE AND AREA STUDIES

To train specialists in Foreign Language and Area Studies, we are requesting $8.6 million for NDEA title VI, $2.7 million less than the fiscal year 1974 appropriation, and $1,360,000 for the Fulbright-Hays Program, the same as in 1974. The NDEA title VI funds will support 50 language centers, 36 demonstration projects, 600 graduate fellowships, and 16 research projects. The funds requested for the Fulbright-Hays Program support 100 doctoral dissertation research fellowships, 20 faculty research grants, and 10 group research and training projects abroad. Continuing expansion of relations with other countries warrants Federal support for this categorical program.

### OTHER INSTITUTIONAL ASSISTANCE

An amount of $22,252,000 is being requested to help cover Construction interest subsidies on prior year loans during 1975. No funds are requested for University Community Services nor for Aid to Land Grant Colleges. Legislation will be submitted to repeal the annual and permanent land grant authorities. Federal support for these projects is considered marginal. We are also not requesting funding for Veterans Cost-of-Instruction for two reasons. First, the high point for the number of returning Vietnam-era veterans has passed. Second, now that recruitment programs have been established in most institutions, priority is being placed on programs which aid veterans and other students directly, enabling them to complete their education. The 1975 Higher Education budget includes significant increases in student assistance for this purpose. Veterans now in school and receiving GI education benefits will also receive an 8-percent boost in payments to enable them to meet the rising cost of living. Funds for this purpose have been included in the Veterans Administration budget.

### PERSONNEL DEVELOPMENT

For Personnel Development, our request of $5,260,000 is $1,800,000 less than the 1974 appropriation. Our 1975 budget request continues the phaseout of the College Teacher Fellowships. As in 1974, we are requesting only enough to allow veterans to resume fellowships interrupted by military service. We are requesting money, also, to continue funding the Ellender Fellowships and the Council on Legal Educational Opportunity, popularly known as CLEO. We have proposed a legislative amendment which would permit the Office of Education to provide the same kind of support to CLEO as it has been receiving from the Office of Economic Opportunity.

In summary, then, Mr. Chairman, I would like to say that we believe the funding strategy represented by the proposed higher education appropriation will bring us significantly closer to the goal of equal educational opportunity and will foster efforts by educational institutions to more effectively meet the needs of their students.

This concludes my presentation of the budget request for Higher Education programs.

We will be pleased to try to respond to your questions, Mr. Chairman.

### ENROLLMENT PROJECTIONS

Mr. FLOOD. In the decade from 1960 to 1970, the total enrollment in higher education increased from 3.8 million to 8.6 million. That is an increase of about 125 percent. What do your projections show for the decade from 1970 to 1980?

Mr. MUIRHEAD. Our projections show that higher education will continue to increase but at a much slower rate in the years that remain in the seventies. And there is a likelihood that there will possibly be a small decrease in the eighties. It is quite difficult to suggest the actual level of enrollment in the eighties because we are before you now with proposals that may very well lead to increasing the number of students going on in that age group to postsecondary education that do not now show up in our projections.

### AID TO DISADVANTAGED

Mr. FLOOD. Over the past several years the budget has contained time and again various proposals for targeting—you used the term "targeting"—Federal aid to what was referred to as "disadvantaged students." Those are your catch phrases. Of course that is not a bad idea. It would be hard to find someone who might be against motherhood.

However, recent reports on higher education enrollment show the enrollment of minority students and low-income students going down, declining. With all of this big deal and all of the platitudes and all of this effort you have put into this, why in the world is it declining?

Mr. MUIRHEAD. Mr. Chairman, the information we have indicates that that enrollment of minority groups in postsecondary education still falls far short of the enrollment for those groups that are not classified as minority groups, and also our records indicate that the enrollment of low-income students in postsecondary institutions still falls far short of the enrollment for the total college age group and far short of the enrollment of middle and upper income families.

Mr. FLOOD. Where was the trouble? With the target or the rifleman?

Mr. MUIRHEAD. Let me complete the answer if I may. I am trying to establish the point with you, Mr. Chairman, that we still have a long way to go in terms of bringing about equal educational opportunities, but the most dramatic thing that has happened in higher education in the last 10 or 15 years has been the increase in the number of minority students going on to postsecondary education and the increase in the number of students from low-income families. We are still far short of the goal, but we have come a long way.

### PRIVATE COLLEGES

Mr. FLOOD. Back in the old days, you used to see it in the movies, the big thing was horror stories, and you fellows latched on to them. You must have remembered them because for 2 years now anyhow we have had these horror stories from your side of the table about the plight of private colleges. Some have closed their doors, others are facing bankruptcy, walls are falling down. How bad is this situation with these private colleges? Does the Federal Government plan to do anything about it?

Mr. MUIRHEAD. We certainly are concerned about it as all of us must be concerned about the financial plight of higher education.

Mr. FLOOD. Private colleges?

Mr. MUIRHEAD. I should like to report that the Congress this past year appointed a special postsecondary education commission to examine the state of affairs in the financing of postsecondary education and to include of course in that examination the plight of private higher education. The report of the Commission on Financing Postsecondary Education has just been presented to the Congress.

Mr. FLOOD. My first question was the horror stories you had. You had my hair standing up around here with the private schools. I knew it was bad but not as bad as you said. You were gnashing your teeth and pulling your hair. Several months ago along comes the Postsecondary Education Commission and it issued a great big, round, fat report. It was quite a job, quite an undertaking. Of course, by the way, it cost $1.5 million to put the thing together.

### REPORT OF POSTSECONDARY EDUCATION COMMISSION

Now the report is finished and $1½ million has been spent. What is going to happen? We have spent $1½ million. Are we going to have to take the nice, big, round, fat report and hide the horrors? Did you put it away someplace? What about it?

Mr. MUIRHEAD. I would hope we would not put it away. Speaking as a member of that Commission, I would doubly hope we would not put it away.

I would think that that report has brought to the attention of the Congress and the American people that, first of all, the most important objective facing us in postsecondary education today, the very objective we are trying to achieve with our budget request today, is that we should be directing what resources we do have to encourage additional numbers of low-income students to continue with their postsecondary education. Interestingly enough, Mr. Chairman, that report underscores the point that the most effective way to provide access to postsecondary education for low-income students is to provide them with direct grants and to provide assistance directly to the students.

The report, of course, gives a good deal of attention to the plight of postsecondary education and does report that there is need for renewed effort on the part of all parts of society that support postsecondary education, that the state of higher education is indeed not healthy, and that if we do not continue to support it, major parts of the higher education community may very well indeed become financially distressed. But the report concludes that at this particular point, with State support, with private support, with Federal support, with family support, and with students supporting it, postsecondary education can continue, and the financial distress is not critical. But they point out that unless there is renewed effort and continued support from all parts of society, major portions of postsecondary education, including, and probably pointedly so, private higher education may be in a very critical condition.

### DELAYS IN RECEIVING FEDERAL CHECKS

Mr. FLOOD. Let me tell you something else. Let me tell you these bureaucrats working downtown and these supervisors and bureau chiefs and department heads—it is an awful thing to say. There are a lot of things going on in this town, a lot of political things and Government things we don't talk about, but in one sense these Government people running these agencies and bureaus and chiefs and supervisors are lucky. In the old days before we had these long-haired, fancy electronic machines and devices—and I started to work with them in the Department of Defense. We got them first. I have told you they used to be as big as the room. You pushed green and yellow lights and bang, bang. There would be new electronic devices and machines and everything was going to happen.

There has never been such a mess. I never heard of such delays in getting checks. In the Veterans' Administration they can't get their checks. Black lung, they can't get their checks. If you get one and a mistake is made, it takes weeks to get the check back. People are living from hand to mouth, public assistance and Social Security. The whole litany. But all of a sudden in recent months something has gone wrong with the checks. It is not the Post Office Department in this case. We found out it was not the Post Office. As bad as they are, they were not the goats. But there is something all fouled up with checks, no matter what kind of checks you are talking about, from agriculture to black lung. Nobody knows why. And it is very, very bad. All the members can tell you. This has happened within the last year. Especially within the last year something has gone haywire on checks. They don't get checks. If you complain about it or talk about it, you get brushed off with all kinds of fancy double talk. Nobody knows anything about it and nobody knows the answers. It is a holy mess—checks.

### LATE ALLOCATION OF STUDENT AID FUNDS

Now we are getting complaints from all of the institutions all over the country about the delay now in allocating the student aid funds. We never had this before. Now there is murder about delay in the allocation of the student aid funds, and here we are near the first of May.

We have been pretty shocked here to hear the allocations will be delayed until May.

We did have a separate education bill here at one time because everybody agreed we have to have a separate education bill for appropriations so the people back home know what it is. It was vetoed once and we overrode the veto. So far we haven't been able to get the necessary authorization again. We would do so in this committee if we could get the basic law tomorrow morning.

Now you are here, and allocations on student aid will not be made until May. Three or 4 years ago nobody would believe that. What this involves insofar as the uncertainty is concerned with reference to the students, you have the vocabulary to describe. In my case I would have to leave the Holy Name Society.

I am talking about this kind of delay now. Everything else is an unholy mess. What about the delays in the student aid funds?

Mr. MUIRHEAD. We are, of course, concerned about it, and let me report to you that the date upon which we expect to issue the awards—and we are speaking now of the college-based programs, the college work-study, supplementary opportunity grants, and the national defense student loan program is May 1. I think it is fair to point out to you, Mr. Chairman, that we are issuing the awards at an earlier date this year than we did last year. We are not satisfied with it. We think that this information should be in the hands of the colleges on April 1 so that they can make their arrangements and build their packages and deal with high school seniors who are proposing to come to school in September.

I have the same concern about the electronic world that you do, Mr. Chairman. As a former history teacher I am frightened by it. But we are moving to get the awards out at an earlier date than we have before. We are also going to take one step this year we have never taken before, and that is, we are going to send to the colleges, 1 month ahead of the award letters, information as to what the percentage of the allocation in their State is.

Now that sounds like a lot of gobbledygook but it means a great deal to a student financial aid officer. He knows what the approved request for his institution is, and the thing he is waiting for is to find out what percentage of the approved request he is going to get. We are going to tell him that next week. We hope to get that into his hands, and then, without the benefit of a computer or any other electronic wizardry, with a piece of paper and pencil the student can sit down and figure out what he is going to receive for next year.

Mr. FLOOD. I am telling you, Doc, the lid is going off all over the country on the unholy mess of the failure of checks, no matter what kind of checks for what agency, bureau, or department, or what have you, to the recipient. It is a murder case nationwide.

### BASIC OPPORTUNITY GRANTS

In the budget for student aid, you again propose to fully fund the basic opportunity grant, our old friend BOG, but to terminate the supplemental grant and the direct loan. You know very well, just as well as I do—here we go again—that is going to require a change in the basic law. This doesn't seem to bother you a bit. What justification would this committee have to appropriate funds—I don't know what these signs say out there. This is the Appropriations Committee. What in the world kind of justification do we have with all of this language of yours to appropriate funds on that basis?

Mr. MUIRHEAD. We are before you, Mr. Chairman, as we have been now on two previous occasions, with a recommendation that the most effective way to help young people get a postsecondary education is to provide them with a grant and to do it as evenhandedly as we know how and let them select the institution of their choice.

We have come before you and said "We are willing to put a great deal more money into that program than into the college-based programs." The college-based programs have done a good job and we are proud of the job they have done, but they have not accomplished the mission that all of us want to accomplish.

Mr. FLOOD. What do you think Congress intended in the first place in enacting the basic opportunity grant law? What do you think we had in mind and were talking about?

Mr. MUIRHEAD. I think the Congress had in mind, and this is just my thought on the matter—I think the Congress had in mind that until we could demonstrate that the basic grant program was indeed a viable way of bringing about equal educational opportunity we should take out some insurance, and we should maintain the college-based programs in place. I think that is what the Congress had in mind. Others may have different opinions.

We are before you now to say that the basic grant program in our judgment provides the best promise of accomplishing equal educational opportunity.

### BOG LANGUAGE

Mr. FLOOD. All right that is great. But you are before an appropriations subcommittee right now and you are proposing appropriation language—don't kid the troops. That is what it is— to change the basic opportunity grant program. You want to write a law. "Mr. Attorney General, take a law." Remember that scene. "All right, Flood, take a law. I have a nice, old secondhand law here."

In addition there has been a flock of legislative bills introduced, as you know, to amend the program. There are a lot in the hopper. You are proposing full funding for a program that obviously and apparently is in need of legislative repair. That is not a very good phrase, but something needs to be repaired. What are you doing here today?

Mr. MUIRHEAD. I think it is a very good phrase. We do feel that the legislation needs to be repaired and needs to be made sounder, and we are coming to the Appropriations Committee in your capacity as the good doctor to provide us with some way in which we can improve the program.

As you will note in the language we have before you, Mr. Chairman, we are saying to you, in effect, "We would like you to accept this as point of order language, and if you agree, then that can be accomplished."

Mr. FLOOD. Can you name me the first three guys—and you know them as well as I do, you know exactly where they sit—that are going to say, "Mr. Chairman, I have a point of order?" Can you name the first three? Sure you can, with biographical sketches.

### FIRST YEAR OF BOG PROGRAM

Do this for us—summarize your first year's experience under the basic opportunity grant program. Do that for the record. Dress that one up.

[The information follows:]

### SUMMARY OF BASIC GRANTS FIRST YEAR'S EXPERIENCE

The implementation of any new Federal student financial aid program is an activity which is particularly prone to delays and problems. Not only is the audience diverse and, of course, lacking in knowledge about the program but there are also a number of agencies and bodies which affect the progress of an implementation effort. The operation of the basic grant program in the first year is no exception in being influenced by such factors. The circumstances which have affected the program for academic year 1973–74 are briefly outlined as follows:

1. There are two items which require that congressional action be taken before the basic grant program can be made operational. There is the approval of the family contribution schedules and, of course, the passage of an appropriation bill. The appropriation for the program was signed on April 28, 1973, and final approval of the family contribution schedules was received on May 1, 1973. However, the level of the program appropriation ($122.1 million) was so low that a legislative amendment had to be obtained which limited eligibility to first time, full-time students. This legislative amendment was signed on May 16, 1973.

Since this amendment affected the content of the student application form, final instructions could not be given to the printer until May 16 and printed applications were not available on a nationwide basis until the middle of July. The timing of this process prevented the distribution of these forms to the high schools to reach eligible students and also made impossible any significant activity to reach students on the part of postsecondary institutions. Therefore, the student application process was significantly delayed and it is conceivable that some students may have been missed entirely.

2. The appropriation level was substantially lower than hoped for and the payment schedule for the program resulted in a maximum award of only $452 and an estimated average award of $260. The payment schedule was discussed at great length within the Office of Education, the Department, and OMB. In finalizing the payment schedule, many options were discussed and presented to the Secretary. The recommendation which was approved resulted in relatively conservative levels of award. The main reason that this conservative approach was recommended and approved was a combination of an optimistic estimate of the number of potentially eligible students who would actually apply and a strong reluctance to run the risk of having to request a supplemental appropriation in the first year of the program's operation. It can be assumed that a number of students who may be eligible did not apply because of these award levels, primarily those students at the upper end of the eligibility range where awards would be as low as $50 for an academic year.

3. Because of the lateness of the program, a number of students had already received assurance from their postsecondary institutions concerning their aid packages for the current academic year. It is likely that some of these students had their needs for financial aid met and therefore did not feel that it was necessary to apply for a basic grant. A number of institutions did make substantial efforts to have students apply but it should be noted that in such cases as mentioned above, the aid packages of students had to be adjusted to prevent overawarding.

4. The basic grant program is, of course, a new program and one that differs in both philosophy and operation from previously existing Federal aid efforts. As a result, there was some degree of resistance to the program from certain quarters of the student financial aid community. Although this resistance has been overcome to a great extent, it would appear that it may have resulted in a lack of effort by a significant number of institutions in making the program fully operational.

Recognizing the difficulties mentioned above, the program made the following efforts to increase the impact of the program for the 1973–74 academic year:

1. Mailing of basic grant applications to approximately 2 million recent high school graduates with a cover letter explaining the program and suggesting that they make applications.
2. Letter sent to student financial aid officers to encourage them to seek out eligible students and to suggest to these students that they send in their applications.
3. Conference call with the Regional Commissioners and Regional Higher Education Directors to urge them to make personal contact with institutions to increase efforts to get students to apply.
4. Production of mailing labels by CSS and ACT for students who have applied under their systems and who fall into the basic grant range of eligible family contribution. These students were sent a followup letter encouraging them to apply.
5. Production by CSS and ACT of rosters of eligible students by institutions. These rosters were mailed to institutions and are intended to assist financial aid officers in seeking out new applicants.
6. Mailing of a letter to the higher education associations in an attempt to have the associations work with their member institutions.
7. Implementation of a public information campaign involving radio and television spots, newspaper coverage and contact with a large number of youth-serving agencies which would encourage potential applicants.

## USE OF 1973 APPROPRIATION

Mr. FLOOD. Of that $122 million appropriation in 1973 for the basic opportunity grant program, how much will be obligated by June 30, 1974?

Mr. MUIRHEAD. We certainly will provide that for the record.

Mr. FLOOD. What about the answer to the question?

Mr. MUIRHEAD. The answer to the question is we think that of the $122 million possibly some $60 million or $65 million will have been obligated by the end of this fiscal year.

[The information follows:]

### AMOUNT OF 1973 FUNDS TO BE OBLIGATED BY BASIC GRANTS BY JUNE 30, 1974

As of April 1, 1974, we received 523,000 applications and approximately 230,000 students were eligible to receive awards. It is currently estimated that the basic grant program will expend $65 million of the $110.6 million allocated for student awards. This expenditure level would leave approximately $45 million which the Office of Education is hoping to be able to carry over into the subsequent academic year.

Mr. MUIRHEAD. The question you ask is a very fair one, but it doesn't seem proper for me to just let the question go by without indicating to you some reasons why that happens.

Mr. FLOOD. You are going to do that for the record.

Mr. MUIRHEAD. But I also think while we have the other committee members here they should know that during the first year of the operation of this program all the things that could possibly happen to make a program go wrong happened.

Second, the program did not get under way until July of last year because of legislative and other delays.

Mr. FLOOD. There is an old American expression about that. Go ahead.

Mr. MUIRHEAD. The program was directed at first-year students and first-year students are by definition high school students. And because the program didn't start until July, we were not able to reach the high school seniors while they were still in high school.

### USE OF 1974 FUNDS

What we would like to have you ask, Mr. Chairman, if I can suggest it to you, is how will the program utilize the $475 million that you appropriated for fiscal 1974.

Mr. FLOOD. For the record you make that a rhetorical question and then answer it.

Dr. Ottina, did you want to say something?

Dr. OTTINA. Exactly that.

[The information follows:]

### HOW THE $475 MILLION FOR BASIC GRANTS 1974 APPROPRIATION WILL BE UTILIZED

The problems encountered in the implementation of the basic grant program during its first year of operation, limited the effectiveness of our efforts. However, as a result of the experience gained during 1973-74, there are a number of positive factors which will maximize the impact of the basic grant program during academic year 1974-75.

1. The Family Contribution Schedules for the 1974-75 academic year were approved by the Congress on December 20, 1973. As a result, we were able to finalize the 1974-75 application forms and submit them for printing during the middle of January. These forms have been distributed to all high schools and eligible institutions of postsecondary education.

In addition, application forms will be distributed to public libraries later in the spring in order that forms be easily accessible to students during the summer months when most high schools and many postsecondary institutions will not be open.

2. The contract for processing the 1974-75 applications has been awarded to the American College Testing program in Iowa City, Iowa. The contractor has received over 150,000 application forms to date. These applications are being processed as of the 15th of April.

3. A contract for the conducting of an intensive, wide-scale training effort for high school counselors, postsecondary institutional financial aid, admissions, and business officers, and other interested parties has been awarded to a consortium of the National Institute of Financial Aid Administrators, the American Personnel and Guidance Association, and the National Association of College and University Business Officers. Approximately 500 sessions for high school counselors and 200 meetings for postsecondary personnel are being held throughout the country.

The high school sessions are currently being conducted and will continue through mid-May. The postsecondary workshops will begin in early May and continue through mid-June. The scheduling of these training sessions is designed to give priority to high schools in order to accommodate their early closing.

To facilitate this training effort, the Office of Education prepared two handbooks. While one is designed to be used by high school counselors and the other (which has more technical information) is designed for postsecondary personnel, both provide general information on other Federal, State, and private sources of student aid as well as specific information on the basic grant program.

As a result of the training program, we expect to involve the vast majority of both secondary and postsecondary school personnel as actual participants. However, all high school counselors and postsecondary school personnel will be contacted during this time and each will receive a copy of the appropriate handbook.

In addition to providing persons involved in counseling students with information and guidance, we expect that these training sessions will result in a greatly expanded effort on the part of institutional personnel in making their students aware of the basic grant program and other sources of student aid.

4. The public information campaign conducted in 1973–74 was less successful than we had hoped. We have, however, taken a different approach for 1974–75.

A contract was awarded to Tilmon Productions, Inc., a Chicago based firm, to produce audiovisual materials to be used to publicize the basic grant program. These materials include two filmstrips to be used in the training sessions; fifteen 30-second radio spots which are broken down to three spots for five different radio formats (adult, Black, Spanish, top 40, and country and western); five 60-second television spots (Black, female, Puerto Rican, Chicano, and animated); and a 5-minute television film clip.

The materials produced are of excellent quality and we feel that as a result of this outstanding quality they will be used effectively.

The training filmstrips are currently being used, the radio spots were distributed to all of the 7,500 radio stations in the country on April 8, and the television spots will be sent to all of the stations in the country beginning the week of April 22.

5. The 1974–75 application form has been improved significantly. In addition to redesigning the format to make the form more appealing looking to students, a careful review was made of the content of the 1973–74 application and several significant improvements were made. For instance, the self-calculation worksheet included last year caused a great deal of difficulty in that it was very complex. This year we inform students that a detailed explanation of the calculation is available from the Office of Education.

Another revision which was made involves the term "expected family contribution." Our experience this year showed that many persons (especially those from low-income families) assumed that their "expected family contribution" was an immediate out-of-pocket requirement for participation. Therefore, these families were reluctant to permit their children to file an application for basic grants. To avoid this unfortunate situation, the term "expected family contribution" will not be used during 1974–75. Rather, in its place, and having the same meaning for purposes of the program, will be the term "student eligibility index." We feel that this term will be more acceptable and "less frightening" to applicants and their parents and will result in a greater participation in the program.

As a result of the improved timing and the experience gained during the first year of program operation, we are confident that the basic grant program will provide the foundation of assistance for eligible students during the coming academic year.

Mr. MILLER. Two points and especially the previous question on the point of order. Last year we came to you with point-of-order language and we did not come before the Congress with revised legislation because the Congress had just recently passed a higher education bill, and we knew they would not take it up again. This year we did go both routes. We have proposed a change in the authorizing legislation to the Congress. I would also like to point out that there have been other education programs where year after year we have changed the formulas by introducing point-of-order language which the Congress has been willing to accept. I agree with you that the chances in this area are not as good but it has been successful before through appropriations language. Impact area aid being exhibit 1.

Mr. FLOOD. That is one of the sacred cows. That is something else.

### 1973 UNOBLIGATED FUNDS

I guess you were going to talk about this. Peter, since you have raised it, what do you plan to do with the unobligated funds?

Mr. MUIRHEAD. The unobligated funds in the basic grant program will amount to somewhere in the neighborhood of $45 million. We are seeking authority to carry those funds over into the next fiscal year and to make it possible to provide not just the $475 million for awards in the upcoming college year but $475 million plus the $45 million. And we are seeking authority to permit us to do that. I should quickly point out, as you undoubtedly know, Mr. Chairman, that the law as it now stands says if we come to the end of the year with surplus funds, then we must go back and reexamine all of the awards we have made and make a proportionate increase to each one. We think it would not be an effective use of Federal funds because in many instances, Mr. Chairman, the students won't receive that additional dividend until perhaps 18 months after they had started school.

Second, we would find it necessary to readjust all of the other student financial aid programs because we operate on a principle that you underscore from time to time—that is that a student should not have any more than is necessary to pay for his cost of education.

### RESTRICTION ON B.O.G. ELIGIBILITY

Mr. Flood. You recall that Congress restricted the 1973 and 1974 appropriations for basic opportunity grants to students who were enrolled after April 1, 1973. If this restriction were to continue through fiscal year 1975, what amount would be required for that? And what is the matter with funding the program on that basis?

Mr. Muirhead. What you would be saying in effect is that the program would only provide support to students in the first 3 years of their postsecondary education. You have already approved the program for 1 year of support in fiscal year 1973 and for 2 years of support in fiscal year 1974.

Mr. Flood. How much would be required?

Mr. Muirhead. Our best estimate as to what would be required to support the program at the 3-year level would be in the neighborhood of $800 million if we were to maintain the same award levels projected for the 1974–75 academic year.

Mr. Flood. That is a restriction. Why don't you fund the program on that basis?

Dr. Ottina. Mr. Chairman, if we might provide for the record the equivalent full funding figure.

Mr. Flood. All right, and the answer to why you don't want to do it.

[The information follows:]

### Equivalent Full Funding Figures for Basic Grant, First, Second and Third-Year Students

The cost of meeting the full entitlements of three classes of full-time students in the 1975–76 academic year is estimated to be $1 billion. Awards would range from $200 to $1,400 with an average grant of $800.

We have proposed a funding level of $1.3 billion for the 1975–76 academic year in order that all eligible undergraduate students who are enrolled on both a full- and part-time basis are provided assistance. As I am sure you know, the basic grant program has one of our highest priorities in the area of student financial aid. This program, we feel, is a major step forward in assuring that all qualified persons have access to postsecondary education without regard to the income of their families.

Because of our desire to achieve this goal as quickly as possible, we have not proposed to simply make basic grant assistance available to three classes of students. Our request to fully fund the program in the next academic year reflects our commitment to this new direct approach to financing postsecondary education.

Mr. MILLER. Each year we have asked the Congress to full fund and they haven't. When they have not then we have come back and said. "Well, if you are not going to full fund, then at least let us apply the funds only on a 1-, 2- or 3-year basis."

Dr. OTTINA. That is not technically correct. We have not asked for full funding. We asked for $622 million the first year. $959 million the second.

Mr. MUIRHEAD. May I answer your question now directly, Mr. Chairman? If you were to provide enough funds for full funding of the first 3 years, it would require about $1 billion. Rather than reach the 1.6 million students we would support under the 4 years of full funding, we would reach only about 1.35 million students.

Mr. FLOOD. We are talking about students who were enrolled after April 1, 1973, in the first case.

Mr. MUIRHEAD. That is right.

### BOG CONTRACTOR

Mr. FLOOD. You are probably going to have a different answer on this. We understand there is a single contract for operating the BOG business, the basic opportunity grant program. Last year, you made a point out of this and you told us this worked with subcontractors as well. Would you tell us how the program works under that contract arrangement?

Mr. MUIRHEAD. To answer that question, Mr. Chairman, I would like to call on our associate commissioner for student assistance who is in charge of our student aid programs. He can explain the rationale we have followed in this matter.

Mr. FLOOD. What are the advantages of a single prime contractor now that the program has been in operation for over a year?

Dr. PHILLIPS. There are a number, most notably the assurance you are treating every student exactly alike. You are treating them according to the same standard and according to the same application form, and with the same information reported on the same application form. We are very definitely exploring possibilities for tying into other systems and making use of available data files. But for this second year with the very limited experience that we have had, we felt that on balance it was best to go ahead again with a single competitively awarded contract for the processing of these grant applications this year.

### STUDENT AID BY ACADEMIC YEAR

Mr. FLOOD. Do two things for the record: Update the student aid information. You have that on pages 806 and 807 of last year's hearings.

[The information follows:]

## FEDERAL STUDENT AID FUNDS BY ACADEMIC YEAR

[In thousands of dollars]

| Appropriations | Amount appropriated | Year of impact 1973-74 | 1974-75 | 1975-76 |
|---|---|---|---|---|
| Program and year of appropriation: | | | | |
| Basic opportunity grants: | | | | |
| 1973 | 122,000 | 122,000 | | |
| 1974 | 475,000 | | 475,000 | |
| 1975 | 1,300,000 | | | 13,00,000 |
| Work-study: | | | | |
| 1973 | 270,200 | 270,200 | | |
| 1974 | 270,200 | | 270,200 | |
| 1975 | 250,000 | | | 250,000 |
| Supplemental opportunity grants: | | | | |
| 1973 | 210,300 | 210,300 | | |
| 1974 | 210,300 | | 210,300 | |
| 1975 | | | | |
| National direct student loans: | | | | |
| 1973 | [1] 562,370 | [1] 293,000 | | |
| 1974 | 293,000 | | 293,000 | |
| 1975 | 6,440 | | | 6,440 |
| Subtotal | | 895,500 | 1,248,500 | 1,556,440 |
| Guaranteed student loans appropriations: | | | | |
| Interest, special allowance, death or disability: | | | | |
| 1973 | [2] 245,000 | | | |
| 1974 | 310,000 | 310,000 | | |
| 1975 | [3] 315,000 | | [3] 315,000 | |
| 1976 | (4) | | | (4) |
| (Level of New Guaranteed Loans) | | (1,050,000) | [3] (1,255,000) | (4) |
| Total, appropriation: | | | | |
| 1973 | 1,409,870 | | | |
| 1974 | 1,558,500 | | | |
| 1975 | 1,871,440 | | | |

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[1] During fiscal year 1973, the national direct student loan program was shifted by the Congress from current year to forward funding. Of the $562,370 appropriated in fiscal year 1973, $269,370 was applied to academic year 1972-73 while $293,000 was applied to academic year 1973-74.

[2] This amount was applied to academic year 1972-73 since the guaranteed loan program, unlike the other student aid programs, is current year funded.

[3] These figures are in the process of being revised to reflect recent changes in the authorizing legislation.

[4] Since the guaranteed loan program is current year funded, funding for academic year 1975-76 must come from the year 1976 appropriation for which no estimates are yet available.

## STUDENT ASSISTANCE—NUMBER OF AWARDS

| | Academic year 1973/74 | 1974/75 | 1975/76 |
|---|---|---|---|
| Basic opportunity grants | [1] 425,000 | [1] 1,000,000 | 1,600,000 |
| Supplemental opportunity grants | 304,000 | 304,000 | |
| Work-study jobs | 560,000 | 560,000 | 520,000 |
| Direct loans | 674,000 | 682,000 | 330,000 |
| Subsidized insured loans | 890,000 | [1] 979,000 | (2) |
| Total awards | 2,853,000 | 3,525 00 | [4] 2,450,000 |
| (Level of new Guaranteed Loan) | | (1,050,000 | (4) |
| Average award: [3] | | | |
| Basic opportunity grants | [1] $260 | [1] $475 | $805 |
| Supplemental opportunity grants | 672 | 672 | |
| Work-study jobs | 580 | 580 | 580 |
| Direct loans | 690 | 690 | 500 |
| Subsidized insured loans | 1,180 | [1] 1,282 | (2) |

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[1] Revised estimates are currently being prepared to reflect the 1st year's experience in the baisc grant program and recent legislative changes in the guaranteed loan program.

[2] Since the guaranteed loan program is current year funded, funding for academic year 1975/76 must come from the fiscal year 1976 appropriation for which no estimates are yet available.

[3] The average award is not found by dividing Federal funds by number of awards in any of these programs. For basic opportunity grants the administrative costs must be subtracted. For supplemental opportunity grants (formerly called EOG's), 3 percent of the total may be used by the institution for administrative expenses. In the case of work-study, the student's pay is about 120 percent of Federal funds. This is the net of a matching requirement and a 3-percent administrative allowance for the institution. In the case of direct loans, the average loan is derived by dividing the number of loans into the total lending level which is made up of Federal capital contributions, institutional matching funds, money from repayments into the loan fund, less a 3-percent administrative allowance for the institution. In the case of guaranteed loans, the average is level of new loans divided by the number of loans.

[4] Does not include guaranteed loans (see footnote 2 above).

## BASIC OPPORTUNITY GRANT DATA

Mr. FLOOD. Do the same thing on this, update the basic oportunity grant business on pages 794 and 797 of last year's hearings.

[The information follows:]

DISTRIBUTION OF SUPPORT, BASIC OPPORTUNITY GRANTS—FULL FUNDING, FISCAL 1975

| Income category (1) | Distribution of appropriation (in millions) (2) | Average award (3) | Percent recipients (4) | Attendance (percent) Public institution (5) | Private institution (6) |
|---|---|---|---|---|---|
| 0 to $4,000 | $552.6 | $900 | 42.6 | 65.3 | 34.7 |
| $4,001 to $6,000 | 347.3 | 880 | 26.7 | 65.2 | 34.8 |
| $6,001 to $8,000 | 222.5 | 750 | 17.1 | 55.3 | 34.7 |
| $8,001 to $10,000 | 124.1 | 590 | 9.5 | 62.6 | 37.4 |
| Over $10,000 | 53.5 | 450 | 4.1 | 61.9 | 38.1 |
| Total | 1,300 | 805 | 100.0 | 64.3 | 35.7 |

Note: This chart illustrates the distribution of support possible under the basic grant program at the estimated full funding level of $1,300,000,000. Col. 1 represents various income categories. Col. 2 represents the distribution of the total amount of basic grant award dollars within each income level. Col. 3 represents the average basic grant award by each income category. Col. 4 represents the percentage of the total number of basic grant recipients in each income category. Cols. 5 and 6 represent the percentages of basic grant recipients, by income category, who will attend public or private postsecondary institutions.

BASIC GRANT AWARDS, FAMILY OF 4—1 CHILD IN COLLEGE, COST OF ATTENDANCE $2,800

| Parent's adjusted gross income | Full-funding estimated at $1,300,000,000 (BEOG) | Scheduled reduction (BEOG) | 20 percent prorata reduction (BEOG) |
|---|---|---|---|
| $4,000 | $1,400 | $1,050 | $840 |
| $6,000 | 1,230 | 920 | 740 |
| $8,000 | 900 | 630 | 500 |
| $10,000 | 570 | 280 | 230 |
| $12,000 | 0 | 0 | 0 |

Based on family contribution schedule in effect for academic year 1974–75.

## SUPPLEMENTAL OPPORTUNITY GRANTS

Mr. FLOOD. No funds at all are being requested for the supplemental opportunity grants. It would seem to me that this program would be a lot more beneficial in many respects than the basic opportunity grant program. Here the students could receive up to $1,500 also, and every grant must be matched by the institution. Why in the world would you want to terminate a program that has worked so well for 10 years? What is the matter with that all of a sudden? Why do you want to quit?

Mr. MUIRHEAD. Mr. Chairman, our rationale is that the underlying concept of the basic grant program is that it provides support to all eligible students, and it makes such support available in an even-handed way to all eligible students. It permits each eligible student to have in hand a grant that will permit him to select the institution of his choice, where he wants to take that grant. The supplementary opportunity grants program has indeed served higher education well, but it has shortcomings. It has shortcomings in that the money is distributed by State formula, which is not always a good barometer or a good measure of the need in those States.

Second, it is subject to the interpretation, and many times the very compassionate interpretation, of student financial aid officers, but the outcome of that interpretation is that a student at one institution may very well receive a grant of a different amount than a student in exactly the same financial circumstances at another institution.

We believe, and we are supported in this by all the major studies that have recently been made of postsecondary education, that the most effective way to encourage access to postsecondary education is to provide the money directly to the student, and let him seek out the institution of his choice.

## COLLEGE WORK STUDY

Mr. FLOOD. The Commissioner in January of this year, issued an evaluation report on the college work study program. It is quite a report. Apparently the program is achieving its primary goal of helping the students meet the cost of attending college and so on. However, the report indicated that there are some problems hanging around. The problems concerned sex discrimination. There were conflicts of interest. A lot of regular employees were being displaced. What is being done to overcome those things that stood out like sore thumbs and were bad?

Mr. MUIRHEAD. I would like to ask our Deputy for Planning and Evaluation if he would respond to your question.

Mr. EVANS. Mr. Chairman, the answer to your question is we have not formulated specific steps to be taken in response to that evaluation. We have completed the evaluation as you noted, and we have summarized and circulated its findings, and we do have in place within the Office of Education now a procedure whereby the findings and conclusions of evaluations do result in effecting programmatic changes. However, that hasn't been done yet for this particular study.

Mr. FLOOD. Where would the conflict of interest be?

Mr. EVANS. I can't recall that that particular finding was contained in the report.

Mr. FLOOD. What about the displacement of regular employees? What is that?

Mr. EVANS. That no doubt relates to the fact that in an effort to find employment for the particular students in question under this program there may have been some instances in which some people regularly employed by the university felt that they were displaced.

Mr. FLOOD. Of all places why would there be sex discrimination in a package like this? This would be the last place you would expect to find it.

Mr. EVANS. It certainly is. But I suspect, that the same pattern of sex discrimination in employment that we find most everywhere no doubt obtains to some degree there also.

Dr. SPEARMAN. Mr. Chairman, I would like to enter for the record with permission of the Deputy Commissioner, that although that program is administered in my shop, I am not aware of any finding in the report indicating conflict of interest.

Mr. FLOOD. We will get something to you to point out the possibility.

### EFFECT OF NEW LAW ON GUARANTEED LOANS

Tell us briefly the effect of this brandnew legislation, the recent legislation, H.R. 12253. That amended the guaranteed student loan program.

Mr. MUIRHEAD. Yes.

Mr. FLOOD. You can do this for the record because that will take some thought. We will need to know the effect of this specific brandnew legislation on your budget request for interest benefits. You can show us that.

Mr. MUIRHEAD. Yes, we will be more than pleased to provide a detailed answer for the record. You should know that the overall impact of that change in the legislation will be to make subsidized loans available to a much larger group than before, and to make subsidized loans more readily available to youngsters from middle-income families.

Mr. FLOOD. If you are going to make a budget request for increased benefits there, we want to see that.

Mr. MUIRHEAD. We will certainly have to come before you, Mr. Chairman, for a supplemental request, because when we prepared our budget this legislation had not been enacted. Our best estimate as to the impact of that new legislation on our $315 million request that we have before you would be that we would be coming back for an increase of $25 million.

Mr. FLOOD. We want to know about it.

[The information follows:]

### EFFECT OF NEW LEGISLATION ON THE 1975 ESTIMATE FOR SUBSIDIZED, INSURED, AND STUDENT LOANS

The passage of H.R. 12253 is expected to result in an increased interest and special allowance cost of $26.6 million over the $315.0 million liability (including death and disability payments) estimated for fiscal year 1975 under present law.

The added cost will cover payments for an estimated 300,000 additional new subsidized loans, averaging $1,400 each, which would not have been made in fiscal year 1975 under present law. It will also cover increased interest and special allowance charges for about 1 million subsidized loans in fiscal year 1975 which will average $1,400 each as opposed to $1,230 under present law.

HIGHER EDUCATION BUDGET ESTIMATE, FISCAL YEAR 1975—INCREASED COSTS UNDER H.R. 12253

[In millions of dollars]

| | Interest | Special allowance | Death and disability | Total |
|---|---|---|---|---|
| Estimate under present law | 225.0 | 87.0 | 3.0 | 315.0 |
| Estimated added cost under H.R. 12253 for: | | | | |
| 300,000 new loans | 14.7 | 4.2 | | 18.9 |
| Increase in average loan | 6.0 | 1.7 | | 7.7 |
| Subtotal | 20.7 | 5.9 | | 26.6 |
| New budget estimate | 245.7 | 92.9 | 3.0 | 341.6 |

## NUMBER OF GUARANTEED LOANS

Mr. FLOOD. Take a look at page 31 of the justifications. Here you show a decline in the number of guaranteed loans. You have gone down from 1,088,000 to 890,000 in fiscal year 1974. What is the matter there? Does that decline result entirely from the 1972 amendments to the basic law, or is it just simply that the bankers are getting a little tougher in lending money to students?

Mr. MUIRHEAD. Like most problems of this kind it consists of several factors. Probably the factor that has influenced it the most has been the condition of the money market. As you know, the guaranteed loan program at the present time pays the bank 7 percent interest plus a special allowance which is on a sliding scale, and may go from 1 to 3 percent. With the cost of money being what it has been, and the opportunities for banks to use their loan money to better advantage elsewhere it has been difficult for the guaranteed loan program to get money for loans that were paying at the very most 10 percent, and we have never really paid 10 percent. The most we have ever paid is 9.5 percent.

There are other factors too, and one of these was that the law, when it was changed last year, required students from families under $15,000 to pass a financial means test. They did not get the subsidized loan automatically. In some instances that has caused the bankers to sort of back away from the program. In many other instances it resulted in students, who would formerly have received a subsidized loan without any question, not receiving a subsidized loan, because they could not demonstrate the need. Particularly students, for example, in the $15,000 family income bracket who were attending a low-cost public institution. Their financial need was not great enough to warrant the certification that they should get a subsidized loan, so that cut back on the program.

At the beginning of the fiscal year it looked as though the program was going to be severely reduced. It looked as though the number of loans might be 18 percent below the 1973 level, but as the year went on, and as the lenders and the institutions, and indeed the students, became a little more accustomed to that particular provision of the law, we revised our estimate. It appears, now that the number of new loans will be only 10 percent fewer than in 1973.

## NATIONAL DIRECT STUDENT LOANS

Mr. FLOOD. That brings up the direct student loan. Remember, you gave birth to the Student Loan Marketing Association.

Mr. MUIRHEAD. Yes.

Mr. FLOOD. You are not requesting funds for the direct student loan program. One of the reasons you give is this Student Loan Marketing Association. On page 1048, this is in the budget appendix, there you find an indication that the activity of this association is based upon many, many assumptions, and many of the assumptions are that the budget data could not be relied on to make any official forecast. What assurance do you have that this outfit would be able to operate as a replacement for the direct loan program? It doesn't seem to add up.

Mr. Muirhead. There are at least two reasons why we are before you without a request for any Federal capital contributions under the National Direct Student Loan Program. You have underscored one of them, and that is that we hope, through the Student Loan Marketing Association, Sally Mae I think is the colloquial name for it, that money will be more readily available for the guaranteed loan program. This expectation is reinforced by the recently passed legislation which extends the subsidy to a much larger group of students than before.

Another reason for not coming before you for new Federal contributions, is that the revolving funds for National Direct Student Loans, have grown to the point that repayments amount to about $165 million per year. The amounts repaid are available for new loans. We expect that amounts made available by such repayments will increase to as much as $200 million a year.

Our reasons for coming before you without a new Federal capital contribution request are that we think the guaranteed loan program can close part of the gap, and that the $165 million in the revolving fund can close the rest of the gap and, third, we believe that the moneys that we could have requested from you for Federal capital contributions can be used to much better advantage in the basic grant program. Thus we have put our major emphasis on the basic grant program, and we are asking, as you know, for $1.3 billion. If you add up our request for basic grants, and our request for college work study, the total far exceeds any requests that we have ever made to you for the college-based programs.

## STUDENT LOAN DEFAULTS

Mr. Michel. Would you yield a moment, Mr. Chairman? Is there any significant difference in the default rate of the direct student loan program compared with the guaranteed loan program?

Mr. Muirhead. There are differences in the way in which it is computed, Mr. Michel. As we have already reported to you and will report to you again when we appear before you on the guaranteed loan program, we are dreadfully concerned about the rate of default in the guaranteed loan program. We are equally concerned about the rate of default or delinquency in the National Direct Student Loan Program. The number of students defaulting or being delinquent in NDSL, follows pretty much the same pattern as students in the guaranteed loan program. We have some difficulty comparing the two, however, because in the guaranteed loan program, there comes a specific time when a student is either in good standing or he is in default. That is the day when the bank says, "We want to exercise our guarantee privilege." The law says that after a loan is delinquent 120 days it is in default and the lender can submit a claim to the Federal Government for reimbursement of the outstanding balance.

There is no such provision in the NDSL. The college has the continuing responsibility to collect the money, so that we don't have by law a point in time when we can say under the NDSL, "Now this student is in default." But, largely in response to the questions, Mr. Chairman, that your committee has raised, we have now embarked on a study to see whether or not we could apply the same way of computing delinquency and default in NDSL as we do in the guaranteed loan program, using a 120-day cutoff period. We expect to have that study completed within the next month. Our expectation, Mr. Michel, is that we will find that the default rate in the NDSL is at least as high and probably higher than the guaranteed loan program, and that shouldn't be surprising, because colleges are not expected to be as good as bankers in collecting loans.

Dr. Ottina. Mr. Michel, if we take for just a moment the guaranteed student loan program and look at the types of institutions that are lending money under that program, that is, the banking institutions versus schools as lenders, we find that schools as lenders experience a higher default rate than banks as lenders. That is part of the phenomenon Mr. Muirhead is talking about.

## STATE STUDENT INCENTIVE GRANTS

Mr. Flood. We gave you $20 million in 1974 for the State scholarship incentive grants. How are you coordinating that program with all of these other State aid programs?

Mr. Muirhead. We are moving to coordinate it and one of the important things the Associate Commissioner for Student Assistance is doing is heading up a task force in the Office of Education whose purpose is to coordinate not only the Federal program but also the State programs in student assistance and so that in time we can have a more orderly delivery system. If it meets with your pleasure, Mr. Chairman, I would like to have our Associate Commissioner tell us about that.

Mr. Flood. I would like to know why you are proposing to terminate the program? Is it because of limited funds, you haven't got enough money, or just simply because it is ineffective?

Dr. Phillips. I don't think one would argue it is ineffective. I think the whole concept is a very important one. The point here is that the States are already working at the level of $400 million a year.

Mr. Flood. You are proposing to terminate it?

Dr. Phillips. Yes. It is a necessary acknowledgement of the limited resources available to us. We feel we are responsible, for staying within the outer limits of resources available. We have come before you with a set of proposals that relate to full funding of the basic grant program, and when you do that, you have to take account of the total resources available. You can't have it both ways, so to speak.

Mr. Flood. That is what I was going to say.

Dr. Phillips. What I would like to suggest, sir, is that we are trying to coordinate our student aid efforts with the States so that they can tie together basic grant and State scholarships and other grant programs for the benefit of the individual student and provide early notification to the educational institutions. We are developing a system to synchronize Federal and State efforts, but our priority is necessarily upon the basic grant program, and that just does not allow enough room in total resources available to recommend additional support for other programs.

CONSOLIDATION OF TRIO PROGRAMS

Mr. FLOOD. This is consolidation again. The budget proposes to consolidate upward bound, talent search, and special services for the disadvantaged. Again does the basic law authorize you to make consolidations of those programs? Where is the law?

Mr. MUIRHEAD. The basic law does not authorize us to make consolidations of those programs, but we are coming before you to say that a more orderly way of having you look at this particular proposal would be to look at the missions of these three programs, talent search, upward bound and special services, as parts of a closely related total effort to assist disadvantaged students.

Mr. FLOOD. If the programs are consolidated how in the world are you going to be able to show us that the programs are achieving any results?

Mr. MUIRHEAD. We will ~~continue to~~ show you how the programs are achieving results. We also have before you, as you undoubtedly noted, Mr. Chairman, a proposal for establishing on a demonstration basis educational opportunity centers which were authorized by the higher education amendments of 1972. These centers will provide in a combined form the same kinds of services as are provided separately by the other special services programs. Mr. Spearman can perhaps elaborate on that.

Mr. FLOOD. GAO knocked your brains out on that thing, that whole setup. They came up with a whole hat full of weaknesses in that upward-bound program. They said it was ineffective in reaching its goal, that you overstated broadly the retention rates, that there was absolutely little or no followup data. That is just to name a few of the first thousand problems they found. Do you agree with GAO? If so, what are you doing about all the problems they found there, and that was something.

Dr. SPEARMAN. Mr. Chairman, let me address the first issue, and say that I don't believe we are proposing a legislative change to consolidate these programs. We are seeking from the Appropriations Committee a consolidated budget appropriation for the programs, in order to more flexibly respond to the needs for the services provided by these programs. In order to get a more equitable response nationwide to the programs with the limited amount of funds that are available we are simply asking for permission to consolidate the funds in order to make——

Mr. FLOOD. If you consolidate them how are you going to tell what results you get anyplace?

Dr. SPEARMAN. Actually I think the Deputy Commissioner is referring to the consolidation of funding rather than programs.

Mr. FLOOD. The term consolidation is mine. You asked for authorization to consolidate the programs. I want to know, if you consolidate the programs, how in the world when the consolidation is effective, can you distinguish in any way that the programs are effective? I don't follow that. Are they achieving any results? Do you place that alongside of the way GAO knocked your brains out with the whole thing? Where do you want to begin?

Dr. OTTINA. I think we are failing to be clear here, Mr. Chairman. We don't propose to consolidate the programs. We are asking that the funds be appropriated as a single amount. The statute provides a single authorization for all three programs and so we are asking that the funds be appropriated under one account. We will run three separate programs which we believe can mutually reinforce each other.

Mr. EVANS. Could I add to that if I may, Mr. Chairman? I think you are concerned about isolating the effectiveness of these three separate programs. But please keep in mind that the three separate programs do have objectives which are similar and complementary and it is that condition which has led to the proposal for consolidating the funds.

### GAO REPORT ON UPWARD BOUND

Mr. FLOOD. Here is what you ought to do. That GAO report put egg all over your face. For the record take that, and I don't want another five volume GAO report, but take the ones that hurt the worst, the ones that stand out, and there are several of them, and then reply to the best of your ability to what GAO said. You try and explain it. We haven't got time this afternoon to take this GAO report item by item.

[The information follows:]

### RESPONSE TO GAO REPORT ON UPWARD BOUND

The GAO study of the upward bound program makes a number of recommendations which will bring about improved program administration at all levels. While the Office of Education believes that a great many of its projects are superior by far to the 15 examined by the GAO report, it nevertheless agrees that GAO's recommendations make good sense. We view recommendations No. 1, 2 and 4 as those which require immediate attention. These are:

#### RECOMMENDATION NO. 1

Establish clear, measurable objectives for the upward bound program and periodic milestones to measure the effectiveness of the program in accomplishing the objectives as required by HEW's Operational Planning System. Also, develop guidelines requiring that the projects establish similar objectives.

#### RECOMMENDATION NO. 2

Develop guidelines requiring projects to (1) perform and document comprehensive need assessment on all students, including their motivation levels, (2) design a curriculum to meet the needs identified, and (3) periodically measure the progress made in meeting these needs.

#### RECOMMENDATION NO. 4

Strengthen the monitoring program to insure that all projects operate in accordance with national intent and that the stated objectives of the projects are realistic and are being accomplished within the expected time frame.

To implement the changes implied by these recommendations immediately is not possible. However, with a 14-month work plan which is now being developed, the Office of Education intends to make major changes in accordance with the GAO recommendations. Progress to date is as follows:

1. A statement of national goals and objectives is in draft and being revised by the headquarters program staff.

2. A mission statement detailing all tasks to be accomplished during a program year cycle is in second draft. From this statement, personnel needs, planning of time and allocation of other resources will aid in implementing the recommendations.

3. Changes have already been built into the management information system to insure that students who do not meet economic eligibility criteria will be called to the attention of projects.

4. Projects funded this year are required to operate on a management by objective plan which includes (1) an analysis of the target population, (2) a statement of project objectives, (3) a comprehensive assessment of the needs of each student, (4) development of project work programs based upon individual student needs, (5) development of implementation plans for each objective, (6) self-evaluation of project work programs, and (7) periodic review of fiscal and progress reports.

5. As the overall concept of the program is being examined and as decisions concerning program changes are being made and implemented, we will be revising the management information system to insure that data is collected to provide answers to the evaluation questions we must ask.

6. New regulations for the program, now being reviewed by the Office of General Counsel, contain many of the elements of the recommendations concerning project monitoring and other program requirements.

The success of our endeavor to improve this program through the implementation of the GAO recommendations will depend largely upon the availability of specialized staff. In its response to the GAO report, the Office of Education has committed itself to obtaining the staff required within the resources available to it.

## DEVELOPING INSTITUTIONS

Mr. FLOOD. On this matter of "strengthening developing institutions," here you want $120 million. That is an increase of $20 million.

Mr. MUIRHEAD. Yes, sir.

Mr. FLOOD. Despite that your justifications show the number of grants will actually decline from 272 to 233. How do you add that up? How do you put that one together?

Mr. MUIRHEAD. I don't have the figures that are before you, Mr. Chairman, but our proposal, as you know, is to approach the program with two thrusts. One, under what we call the basic development program, in which we would provide to a larger number of developing institutions grants for a special categorical purpose.

The other thrust of the program is called advanced institutional development. We have developed some criteria for identifying those institutions that appear to be in the best position to achieve fully developed status and they will receive large grants over a 3- to 5-year period, but there will be a smaller number of them than in the basic development program.

Mr. FLOOD. Why is there an increase in dollars but a decrease in awards?

Mr. HERRELL. Once an institution receives a grant under the advanced development program, it is not eligible to receive another grant for at least 3 to 5 years since these grants are meant to be expended over a 3- to 5-year period. As more and more institutions graduate from the basic to the advanced program, the number of grants made under the basic program, and under the developing institutions program as a whole, should decrease. However, because of the large size of the grants under the advanced program, the funding will have to continue at the authorized level for some years to come.

Mr. FLOOD. The advanced institutional program term worries me. How do community colleges participate in the program?

Mr. HERRELL. The distribution of funds is exactly the same, 24 percent for community colleges, and 76 percent for 4-year colleges and universities.

Mr. FLOOD. I think I know what you are talking about and I think you do. That is good for a change. Let's have the record show that. Give us a breakdown of the program now, including the community college and the others, with the amounts available to aid the community colleges in 1974–75, so they don't get kicked around on this thing.

[The information follows:]

AMOUNTS TO COMMUNITY COLLEGES VERSUS 4-YEAR INSTITUTIONS—DEVELOPING INSTITUTIONS PROGRAM

| | Estimated fiscal year 1975 appropriation | 24 percent to junior and community colleges | 76 percent to other institutions |
|---|---|---|---|
| Basic program | $52,000,000 | $12,480,000 | $39,520,000 |
| Advanced program | 68,000,000 | 16,320,000 | 51,680,000 |
| Total | 120,000,000 | 28,800,000 | 91,200,000 |
| | Actual fiscal year 1974 appropriation | Estimate | Estimate |
| Basic program | $51,992,000 | $12,480,000 | $39,512,000 |
| Advanced program | 48,000,000 | 11,520,000 | 36,480,000 |
| Total | 99,992,000 | 24,000,000 | 75,992,000 |
| | Actual fiscal year 1973 appropriation | Actual | Actual |
| Basic program | $51,850,000 | $12,455,680 | $39,394,320 |
| Advanced program | 35,500,000 | 8,520,000 | 26,980,000 |
| Total | 87,350,000 | 20,975,680 | 66,374,320 |

Note: Amounts shown for fiscal year 1974 are estimates because awards have not yet been made. However, the statute requires that no less than 24 percent of the funds must go to 2-year colleges.

Mr. HERRELL. Mr. Chairman, as you compare the 2 years you may recall that in 1973 you extended the availability of funds until December 30, 1973, so if you compare dollar amounts that fact has to be taken into account.

## CONSTRUCTION

Mr. FLOOD. You have no request for funds in here for new construction loans in fiscal year 1975. There is an amount of $29 million in the budget for subsidized loans made in prior years. How many more years is it going to take to pay these subsidies?

Mr. MUIRHEAD. The bonds that we are supporting for this program probably will run to about 25 years.

Mr. FLOOD. If you want to think in retrospect, and sometimes you don't, do you think it was wise, do you think it was economical, for the Federal Government—watch this one—to use the subsidized loans rather than the direct grant? That is a classic question. What about that?

Mr. MUIRHEAD. Yes. That is always a very difficult question to answer.

Mr. FLOOD. That is why I asked it.

Mr. MUIRHEAD. It depends on whether you are taking the short run or the long run.

Mr. FLOOD. You do the depending. The question is an old question.

Mr. MUIRHEAD. Yes. We, in retrospect, think it was wise, because at that particular time in the development of our budget we could support more loans under the subsidized loan provision than we could under direct grants and by so doing we were then able to have more resources available for items that seemed to us to have a higher priority.

It could be argued, Mr. Chairman, that in the long run the payment of the interest that we are compelled to pay, all above 3 percent, may cost more money. But in the short run it was clearly in the interests of serving our priorities to concentrate our limited resources on student assistance.

## LAND-GRANT COLLEGES AND UNIVERSITY COMMUNITY SERVICES

Mr. FLOOD. You are up to your old tricks again. This budget again proposes to phase out the land-grant college assistance and the university community services. Out they go again. There is nothing new about this at all. The budget has proposed to phase out these performances many times. I can imagine how many times a casting director has tried to say, "Let's don't run Othello this year". Othello always shows up and it is always a smash hit.

Here you go again. Out they go. Do you have any new evidence to support your proposals this time? You never had any new evidence before. You just dusted off the old. What about it now? Out they go again. Why?

Mr. MUIRHEAD. We are probably in a little better posture in coming before you this time. As you have pointed out to us many times, Mr. Chairman, when we have come before you seeking to phase out the land-grant college programs, you have pointed out, "Why don't you ask the Congress to repeal the land-grant legislation?" We have now picked up enough courage to do that, and we have made such a proposal to the Congress.

Our posture before you I think is now a little more defensible than it has been in the past.

Mr. FLOOD. All you have to do is live long enough, I guess.

Mr. MUIRHEAD. The reasons, the basic rationale remain the same, we feel are that this amount of money going to this number of prestigious institutions might better be used to serve higher priorities. On the matter of the community service program, again we are in that rather awkward position of having to say to you here is a program that we don't think is at as high a priority as other programs, since we have resources that are quite limited, and must meet the needs of the higher priority programs, we would like to put this one aside.

## STATE POSTSECONDARY COMMISSIONS

Mr. Flood. All right, why do you want to terminate support for the State postsecondary commissions? If Congress were to appropriate funds for a program, that is a program administered by these State commissions.

Mr. Muirhead. Our reason for not requesting additional funds for the State postsecondary commissions is that we are not continuing support for, for example, the higher education facilities grant program, which was an important part of the workload of the State facilities commissions. We are not continuing support for the community services program, which also has a State commission. We are not continuing support for title VI, the equipment program, which also is administered through a State commission.

We feel that we can carry on those services, in the phaseout of these programs, without requesting funds for the State commissions.

Mr. Flood. For a lot of reasons you be careful. Make a record on these statements. Make a record listing the programs, which by law now must be administered through the State commissions, to protect your flanks that way.

[The information follows:]

### Federal Programs for Postsecondary Education Which Require a State Agency

Higher Education Act of 1965, as amended:
- Title I—Community Service and Continuing Education Program
- Title IV (Part A, Subpart 3—State Student Incentive Grant Program
- Title VI, Part A—Equipment for the Improvement of Undergraduate Instruction
- Title VII, Part A—Grants for Construction of Undergraduate Academic Facilities
- Title XII—State Postsecondary Education Commissions—Comprehensive planning under section 1203.

## VETERANS COST-OF-INSTRUCTION

Mr. Flood. You have no funds requested for the veterans cost-of-instruction grants. What was the average grant awarded to institutions anyhow? What were the largest grants? What was the average grant awarded?

Mr. Barefoot. It was about 17 percent of the requested funds.

Mr. Flood. What were the smallest and the largest grants awarded to an institution in fiscal year 1974?

Mr. Barefoot. We haven't obligated 1974 funds yet. The applications are just now coming in.

Mr. Flood. The smallest and the biggest for 1973 then.

Mr. Barefoot. We will provide that for the record.

[The information follows:]

### Veterans' Cost-of-Instruction Program Awards, 1973–74

#### 1,069 ELIGIBILITY INSTITUTIONS

Smallest—Less than $1,000.
Largest—$232,420.
Average—$27,000.

### MAJOR VETERANS PROGRAMS

Mr. **Flood.** Also a list of the major assistance programs for veterans, and the total dollar amount available for fiscal year 1974 and fiscal year 1975.

[The information follows:]

MAJOR PROGRAM FOR VIETNAM VETERANS

| | 1973 | 1974 | 1975 |
|---|---|---|---|
| Office of Education: | | | |
| Special program for disadvantaged | $8,604,000 | $8,578,000 | $3,631,000 |
| Veterans cost of instruction | 25,000,000 | 23,750,000 | ------ |
| Veterans' Administration for post-Korean veterans | 2,513,215,000 | 3,029,764,000 | 2,468,526,000 |

Mr. **Flood.** Mr. Michel.

Mr. **Michel.** Thank you, Mr. Chairman.

### VETERANS COST-OF-INSTRUCTION

Going to that last question, you don't have figures for 1974. Do you have them for 1973?

Mr. **Barefoot.** We will provide it for the record, Mr. Michel.

Mr. **Michel.** You don't have 1973 either?

Mr. **Barefoot.** We know that there were——

Mr. **Michel.** Under the veterans cost of instruction, it is $300 a student now, isn't it?

Mr. **Barefoot.** The law authorizes $300 per veteran enrolled and an additional $150 if the veteran has been the recipient of a special program; but that amount presupposes full funding. The appropriation was far short of full funding.

Mr. **Michel.** But you don't have any figures right at hand in answer to the chairman's question with respect to 1973?

Mr. **Barefoot.** Corresponding with the maximum authorized $300 and $150 that I mentioned, actual payments amounted to $54 and $27 respectively.

Mr. **Michel.** If you really want me to go to bat with your position on that, we ought to have some better answers. My natural line of questioning would be something like, you know, what are the variances between universities and how many little amounts are there, frankly, that someone would get to continue justifying it. I hope it gets the same visibility when you supply it for the record.

### LAND-GRANT COLLEGE AID

The same thing with land-grant colleges. I agree with you that the program has outlived its usefulness. Why don't we have in the record every State university, what they got in this program 20 years ago, and how many students they had 20 years ago. You have the same grant money today with budgets that have gone up 15 or 20 times. It hasn't meant one doggone bit relatively to that university.

This is the kind of thing that we can finally make some points with on the floor, but I am not altogether persuaded, that we'll get anywhere. It will be one of those things where even though the amount of money that a university receives is very small compared to its total budget, that a few thousand dollars may make all the difference in the world to the individual Members who have those universities in their districts. I agree with your position, but we must have some good solid information here upon which to build a case.

[The information follows:]

### LAND-GRANT PROGRAMS—SCHOOL BUDGETS VERSUS CONTRIBUTION FROM LAND-GRANT PROGRAMS

We do not have data needed to provide a comparison of the budgets and student enrollments of land-grant institutions as they were 20 years ago and as they are now. However, we do have available a table based on 1970 data which shows Federal land-grant funds as a percentage of institutional operating expenditures. These percentages would be even lower now since institutional expenditures have risen since 1970 and the 1974 appropriation for the two land-grant programs was $12,200,000 compared with an appropriation of $14,720,000 in 1970. I am also providing a table showing amounts of funds going to institutions from the land-grant programs in 1973 when the appropriation was $12,700,000. Comparable figures for 1974 are not yet available.

| State and Institution | Amounts of Bankhead-Jones and Morrill-Nelson funds going to Land Grant Institutions in Fiscal Year 1973 |
|---|---|
| Total | $12,700,000 |
| Alabama: Al. A&M U | 79,015 |
| Auburn U | 152,745 |
| Alaska: U of Alaska | 202,786 |
| Arizona: U of Az | 216,345 |
| Arkansas: U of Ar, Pine Bluff | 59,382 |
| U of Ar, Fayetteville | 158,353 |
| California: U of Ca | 383,994 |
| Colorado: Co St U | 220,354 |
| Connecticut: U of Ct | 227,961 |
| Delaware: De St Col | 41,011 |
| U of De | 164,043 |
| District of Columbia : Fed City Col | 103,488 |
| Washington Tedh Inst | 103,488 |
| Florida: Fl A&M U | 94,368 |
| U of Fl | 168,240 |
| Georgia: Fort Valley St Col | 63,464 |
| U of Ga | 178,858 |
| Guam: U of Guam | 200,784 |
| Hiawaii: U of Hi | 207,100 |
| Idaho: U of Id | 206,575 |
| Illinois: U of Il | 302,485 |
| Indiana: Purdue U | 247,892 |
| Iowa: Ia St U | 226,051 |
| Kansas: Ks St U | 220,739 |
| Kentucky: Ky St U | 33,304 |
| U of Ky | 196,382 |
| Louisiana: La St U | 163,750 |
| Sourthern U & A&M Col | 69,845 |
| Maine: U of Me | 209,163 |
| Maryland: U of Md | 207,796 |
| U of Md. Eastern Shore | 28,374 |
| Massachusetts: Ma Inst of Tech | 84,154 |
| U of Ma | 168,308 |
| Michigan: Mi State U | 281,840 |
| Minnesota: U of Mn | 235,088 |
| Mississippi: Alcorn A&M Col | 96,774 |
| Ms St U | 123,669 |
| Missouri: Lincoln U | 15,196 |
| U of Mo | 227,936 |

| | |
|---|---|
| Montana: Mt St U | 206,403 |
| Nebraska: U of Ne | 213,683 |
| Nevada: U of Nv | 204,507 |
| New Hampshire: U of NH | 206,802 |
| New Jersey: Rutgers, The St U | 266,100 |
| New Mexico: NM St U | 209,369 |
| New York: Cornell U | 367,742 |
| North Carolina: NC A&T St U | 81,465 |
| NC St U | 165,398 |
| North Dakota: ND St U | 205,697 |
| Ohio: Ohio St U | 298,226 |
| Oklahoma: Langston U | 22,360 |
| Okla St U | 201,240 |
| Oregon: Or St U | 219,285 |
| Pennsylvania: Pa St U | 308,755 |
| Puerto Rico: U of PR | 225,009 |
| Rhode Island: U of RI | 208,758 |
| South Carolina: Clemson U | 111,944 |
| SC St Col | 111,994 |
| South Dakota: SD St U | 206,144 |
| Tennessee: Tn St U | 42,726 |
| U of Tn | 193,460 |
| Texas: Prairie View A&M Col | 75,812 |
| Tx A&M U | 227,436 |
| Utah: Ut St U | 209,768 |
| Vermont: U of Vt | 204,101 |
| Virgin Islands: Col of the VI | 200,576 |
| Virginia: Va Ply Inst | 161,910 |
| Va St Col | 80,955 |
| Washington: Wa St U | 231,437 |
| West Virginia: WV U | 216,084 |
| Wisconsin: U Of WI | 240,739 |
| Wyoming: U of Wy | 203,065 |

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OPERATING EXPENSES AND BANKHEAD-JONES FUNDS IN LAND-GRANT COLLEGES AND UNIVERSITIES (FY 1970)

| | | (1) Land-Grant Institution | (2) Total Operating Expenditures (thousands Dollars) | (3) Morrill Nelson Funds | (4) Bankhead-Jones Funds | (5) Col. 3 Plus Col. 4 Total | (6) Column 5 as a Percentage of Col.2 |
|---|---|---|---|---|---|---|---|
| 1. | AL: | Alabama A&M U | $ 5,581 | $ 17,050 | $ 77,522 | $ 94,572 | 1.695 |
| 2. | | Auburn U | 51,557 | 32,950 | 150,158 | 183,108 | .355 |
| 3. | AK: | U of Alaska | 27,990 | 50,000 | 155,378 | 205,378 | .734 |
| 4. | AZ: | U of Arizona | 75,763 | 50,000 | 180,964 | 230,964 | .305 |
| 5. | AR: | Arkansas AM&N Col | 6,710 | 13,650 | 52,480 | 66,130 | .986 |
| 6. | | U of Arkansas | 58,747 | 36,350 | 139,996 | 176,346 | .300 |
| 7. | CA: | U of California | 1,031,755 | 50,000 | 523,740 | 573,740 | .556 |
| 8. | CO: | Colorado St U | 56,835 | 50,000 | 191,707 | 241,707 | .425 |
| 9. | CT: | U of Connecticut | 72,658 | 50,000 | 210,285 | 260,285 | .358 |
| 10. | DE: | Delaware St Col | 3,516 | 10,000 | 32,122 | 42,122 | 1.198 |
| 11. | | U of Delaware | 34,920 | 40,000 | 128,490 | 168,490 | .483 |
| 12. | DC: | Federal City Col | 11,467 | 50,000 | 168,166 | 218,166 | 1.902 |
| 13. | | Washington Tech Inst | --- | --- | --- | ---- | --- |
| 14. | FL: | Florida A&M U | 12,757 | 11,250 | 91,060 | 103,310 | .810 |
| 15. | | U of Florida | 121,190 | 38,750 | 176,683 | 214,433 | .177 |
| 16. | GA: | Fort Valley St Col | 3,829 | 14,200 | 69,319 | 83,519 | 2.181 |
| 17. | | U of Georgia | 74,932* | 35,800 | 174,444 | 210,244 | 2.806 |
| 18. | GU: | U of Guam | 4,993 | --- | ---- | ---- | --- |
| 19. | HI: | U of Hawaii | 69,954* | 50,000 | 165,047 | 215,047 | .307 |
| 20. | ID: | U of Idaho | 23,317 | 50,000 | 165,865 | 215,865 | .926 |
| 21. | IL: | U of Illinois | 289,731 | 50,000 | 389,721 | 439,721 | .152 |
| 22. | IN: | Purdue U | 126,756 | 50,000 | 260,870 | 310,870 | .245 |
| 23. | IA: | Iowa St U | 80,008 | 50,000 | 215,572 | 265,572 | .332 |
| 24. | KS: | Kansas St U | 46,476 | 50,000 | 201,805 | 251,805 | .542 |
| 25. | KY: | Kentucky St Col | 4,075 | 7,250 | 32,226 | 39,476 | .969 |

OPERATING EXPENSES AND BANKHEAD-JONES FUNDS IN LAND-GRANT COLLEGES AND UNIVERSITIES

| | (1) Land-Grant Institution | (2) Total Operating Expenditures (thousands dollars) | (3) Morrill-Nelson Funds | (4) Bankhead-Jones Funds | (5) Col. 3 Plus Col. 4. Total | (6) Column 5 as a Percentage of Col. 2 |
|---|---|---|---|---|---|---|
| 26. | U of Kentucky | $ 107,451 | $ 42,750 | $ 190,018 | $232,768 | .217 |
| 27. LA: | Louisiana St. U | 98,700 | 34,050 | 154,893 | 188,943 | .191 |
| 28. | Southern U & A&M Col | 13,945 | 15,950 | 62,556 | 85,506 | .635 |
| 29. ME: | U of Maine | 46,410 | 50,000 | 173,048 | 223,048 | .481 |
| 30. MD: | U of Maryland | 149,081 | 44,000 | 196,887 | 240,887 | .161 |
| 31. | U of Md. Princess Anne | 3,140 | 5,000 | 26,844 | 32,544 | 1.046 |
| 32. MA: | Massachusetts Inst of Tech | 232,269* | 16,650 | 17 | 16,667 | .001 |
| 33. | U of Massachusetts | 81,827 | 33,350 | 272,411 | 305,761 | .374 |
| 34. MI: | Michigan St U | 156,295* | 50,000 | 336,028 | 386,028 | .246 |
| 35. MN: | U of Minnesota | 229,149 | 50,000 | 231,178 | 281,178 | .122 |
| 36. MS: | Alcorn A&M Col | 5,221 | 24,700 | 99,580 | 124,280 | 2.380 |
| 37. | Mississippi St U | 37,255 | 25,300 | 102,214 | 127,514 | .342 |
| 38. MO: | Lincoln U | 3,704* | 3,100 | 15,820 | 8,920 | .511 |
| 39. | U of Missouri | 164,491 | 46,900 | 236,901 | 283,801 | .173 |
| 40. MT: | Montana St U | 22,096* | 50,000 | 166,045 | 216,045 | .977 |
| 41. NE: | U of Nebraska | 95,423 | 50,000 | 183,560 | 233,560 | .244 |
| 42. NV: | U of Nevada | 12,435 | 50,000 | 156,784 | 206,784 | 1.660 |
| 43. NH: | U of New Hampshire | 27,032* | 50,000 | 164,432 | 214,432 | .793 |
| 44. NJ: | Rutgers, the St U | 105,578 | 50,000 | 294,262 | 344,262 | .326 |
| 45. NM: | New Mexico St U | 32,709 | 50,000 | 172,614 | 222,614 | .681 |
| 46. NY: | Cornell U | 158,035 | 50,000 | 549,067 | 599,067 | .379 |
| 47. NC: | North Carolina A&T St U | 9,362 | 16,500 | 85,252 | 101,752 | 1.086 |
| 48. | North Carolina St U | 54,708 | 33,500 | 173,089 | 206,589 | .377 |
| 49. ND: | North Dakota St U | 20,684 | 50,000 | 165,039 | 215,039 | 1.039 |
| 50. OH: | Ohio St U | 197,833 | 50,000 | 380,809 | 430,809 | .218 |

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OPERATING EXPENSES AND BANKHEAD-JONES FUNDS IN LAND-GRANT COLLEGES AND UNIVERSITIES (FY 1970)

| | (1) Land-Grant Institution | (2) Total Operating Expenditures (thousands dollars) | (3) Morrill-Nelson Fund | (4) Bankhead-Jones Funds | (5) Col. 3 Plus Col. 4 Total | (6) Column 5 as a Percentage of Col. 2 |
|---|---|---|---|---|---|---|
| 51. | OK: Langston U | $ 1,379 | $ 5,000 | $ 20,536 | $ 25,536 | 1.852 |
| 52. | Oklahoma St. U | 53,567 | 45,000 | 184,625 | 229,625 | .430 |
| 53. | OR: Oregon St U | 54,038 | 50,000 | 192,058 | 242,058 | .447 |
| 54. | PA: Pennsylvania St U | 171,980 | 50,000 | 419,164 | 469,164 | .273 |
| 55. | PR: U of Puerto Rico | 34,943 | 50,000 | 205,870 | 255,870 | .732 |
| 56. | RI: U of Rhode Island | 36,539 | 50,000 | 170,435 | 220,435 | .603 |
| 57. | SC: Clemson U | 26,769* | 25,000 | 103,328 | 128,328 | .479 |
| 58. | South Carolina St Col | 5,965 | 25,000 | 103,328 | 128,328 | 2.151 |
| 59. | SD: South Dakota St U | 19,574* | 50,000 | 166,182 | 216,182 | 1.053 |
| 60. | TN: Tennessee St U | [illegible] | 9,050 | 42,474 | 51,524 | .509 |
| 61. | U of Tennessee | 112,791 | 40,950 | 192,348 | 233,298 | .207 |
| 62. | TX: Prairie View A&M Col | 8,235* | 12,500 | 94,348 | 106,948 | 1.299 |
| 63. | Texas A&M U, Col St | 35,072 | 37,500 | 283,347 | 320,847 | .915 |
| 64. | UT: Utah St U | 30,055 | 50,000 | 171,178 | 221,178 | .736 |
| 65. | VT: U of Vermont | 26,526* | 50,000 | 159,271 | 209,271 | .789 |
| 66. | VI: College of the Virgin Islands | --- | --- | --- | --- | --- |
| 67. | VA: Virginia Poly Inst | 49,538 | 33,350 | 162,871 | 196,221 | .396 |
| 68. | Virginia St Col | 8,583 | 16,650 | 81,559 | 98,209 | 1.055 |
| 69. | WA: Washington St U | 49,169* | 50,000 | 217,847 | 267,847 | .545 |
| 70. | WV: West Virginia U | 52,673 | 50,000 | 194,237 | 244,239 | .464 |
| 71. | WI: U of Wisconsin | 25,856 | 50,000 | 243,969 | 293,969 | 1.137 |
| 72. | WY: U of Wyoming | 32,325 | 50,000 | 157,849 | 207,849 | .643 |
| | | 5,421,067,000 | 2,600,000 | 12,120,000 | 14,720,000 | .263 percent for total |

Range of Percents (Col. 6): .001-2.80

* Estimate

## EXTENT OF FEDERAL STUDENT AID

Mr. Michel. Let me go back to our discussion about BOG's. You say that BOG's, guaranteed loans and work study together, will assist an estimated 2.5 million students in 1975 and 1976. Are we talking about students or are we talking about number of awards?

Mr. Muirhead. When I used the figure 2.5 million students, of course I was referring to numbers of students who might be assisted through the combination of basic grant, guaranteed loan and college work study.

Mr. Michel. Of all students in school today in higher education?

Mr. Muirhead. In postsecondary education, that is right. Our comparable figure for basic grant, Mr. Michel, of course is 1.6 million.

Mr. Michel. In other words, 2.5 million students is the total number of those receiving some Federal kind of assistance—award, grant, or loan. Is it still roughly 8 million students in higher education?

Mr. Muirhead. The total number of students in higher education in about 8.5 million. If we include the students in all the institutions that are eligible, in the postsecondary institutions, we are talking about a total population of 10.5 to 11 million students.

Mr. Michel. Do we assume all those other students then are pulling their own weight through school?

Mr. Muirhead. No. We are saying that the basic grant program, in combination with a guaranteed loan and college work study will help 2.5 million, but in order for us to reach the goal of equal education opportunity, there will have to continue to be the same or additional support from the States and from private sources and from the funds of the institutions themselves.

Mr. Michel. How many more would that include who are getting some form of scholarship assistance, State assistance or something exclusive of the aid that comes from the Federal Government? I guess what I am saying is you have 10.5 million people attending some postsecondary institution of learning, and somebody must be paying their own freight, like my four kids. How many others are there that don't get one dime of some kind or assistance to go to school?

Mr. Muirhead. There are a very significant number that do not get assistance from the sources that I have mentioned, but they do get assistance from their parents, as your children do, and they do get assistance from their own self-help, but the 2.5 million students that I mentioned may very well be getting support from many other sources besides the Federal Government, particularly if they are going to an institution that is high cost, and where the Federal Government support will not close the gap between what the family can provide and what the cost of education is.

## STATE STUDENT INCENTIVE GRANTS

Mr. Michel. The chairman touched on this subject of your statement here, continued and expanded assistance and self-help opportunities that you say are essential for us to rely upon as well, but isn't that at variance with the budget decision not to fund the State incentive grant in fiscal 1975? Don't we in fact double our Federal money through that program? Is that one currently in operation?

Mr. MUIRHEAD. That program is in the process of being established. It will be in operation in the upcoming college year. I think it is proper for me to report to you, Mr. Michel, that we had a very difficult decision when we drew up this budget. We looked at the State scholarship incentive program, and it had much going for it. As you pointed out, not only does it make for a good Federal-State relationship, but it also generates additional capital through the matching provision, and is certainly targeted on the equal education opportunity objective that we are talking about. It was a very close decision on our part, when we drew up this budget, which is a proposal to you. Our decision finally was that with the resources available, we would go for full funding of the basic grant program, but I don't want you to interpret that in any way as meaning that we don't think a great deal of the State student incentive grant program. It really is a very worthwhile program.

### NUMBER OF BOG AWARDS

Mr. MICHEL. How do we arrive at that 1.6 million students who would be taking advantage of BOG's this coming year?

Mr. MUIRHEAD. We have been working very diligently to try to make projections as to what the enrollment pattern would be in the institutions of postsecondary education in 1975–76, and from what particular family income levels students would come, and how they would be distributed among institutions of varying cost and varying purposes. The model that we have worked on indicates to us that about 1.6 million students would be recipients of grants.

Mr. MICHEL. And that would average out at about what?

Dr. PHILLIPS. $805.

Mr. MICHEL. $805 per student compared to this year's what?

Dr. PHILLIPS. For the current academic year, funded by the 1973 appropriation, the average is $260. When we were preparing this budget, we expected the 1974–75 average to be about $475. More recent estimates are that the average may be substantially higher.

Mr. MICHEL. If we didn't extend eligibility for BOGS to all 4 years, but restrict it to 3, since we have gone the route of 1, 2, all in the interest of compromise, how would that then affect the program?

Mr. MUIRHEAD. It would affect the program this way. If you decided that you would take the BOGS program and move it from the 2-year level to the 3-year level, if you also decided that the time had come to provide the maximum grants under the basic grant program of $1400 and the average grants of about $800, or full funding, we would then need to report to you that in order to support that level, it would require about $1 billion, and that by extending it to the third year at the full funding level, rather than reaching 1.6 million students we would probably reach about 1,350,000 students.

Dr. OTTINA. The $1.3 billion we are asking, Mr. Michel, would be too much money, because it would provide the maximum amount for every eligible person for all 4 years, so if we reduce that to 3 years, the $1.3 billion would not be required to provide the maximum amount eligible under the law for all of the 3 years that you mention.

Mr. MICHEL. How much of it would it require?

Dr. OTTINA. Our estimate is $1 billion.

Mr. MICHEL. And you say if we just limit eligibility to 3 years then there would be about 1,350,000 students?

Mr. MUIRHEAD. That is our judgment.

### ACCEPTANCE OF BOG PROGRAM

Mr. MICHEL. I don't object to your moving immediately from 2 to 4 years, or to covering all 4 years of eligibility in your budget proposal, because I support the whole concept of BOG. I guess all I need to have for assurance, to really attempt to press that point, as against this area of compromise that I could conceive developed, is that you are really now actually sure with the limited time BOGS have been able to operate that it is by all means exactly if not more than what you had hoped it would be; and that by all means we are able to move for all 4 years of eligibility and we don't need to be testing along any more. It is a darn good program, it is here to stay, and you have the fullest confidence in it.

Mr. MUIRHEAD. We are convinced, Mr. Michel, that the concept of the basic grant program is a very sound one indeed.

Mr. MICHEL. It is generally accepted out in the university community and by the students?

Mr. MUIRHEAD. In response to the questions from the chairman, I have pointed out we have gained a good deal from our experience this year, and that as we move to implement the program in the upcoming year, we are finding a much better response in the field to the program. We are finding that the students understand it better, and maybe the thing to report to you is that today, on April 22, we already have 150,000 applications in hand for the school year coming up. To put that into context, we have to report to you that we didn't have a single application in hand last July 1.

### RETROACTIVE BOG AWARDS

Mr. MICHEL. Are you making retroactive awards for the current year in BOG?

Mr. MUIRHEAD. We are making retroactive awards for the current year in basic grant. We extended the application deadline date, Mr. Michel, to April 1, and any applications that are then in process will be retroactive to the beginning of the academic year for those students who have been eligible for the whole year. We have tried as best we could to reach all the eligible students.

To answer your question directly, we are convinced that the most effective way to open up access to postsecondary education is to provide grants to students and to provide them in an evenhanded way so that they can move to the institution of their choice.

Interestingly enough almost all of the studies that I have read on postsecondary education including the Carnegie study, CED study, the most recent report of the Commission on Financing Postsecondary Education, come to the same conclusion that the best way to increase access to postsecondary education is to provide grants directly to students.

### GUARANTEED STUDENT LOANS

Mr. MICHEL. The President last week signed into law H.R. 12253 dealing with extended availability of funds for elementary and secondary education with a guaranteed student loan program. Under this law, students from families with adjusted incomes of less than $15,000 are automatically eligible for interest subsidy payments and assured loans up to $2,000 a year, and the existing requirement for needs test has been eliminated.

I would like to ask you first how you view this particular development and second, how it would affect this program?

Mr. MUIRHEAD. Our reaction is really quite mixed. First of all, as I reported to the Chairman, we are going to have to ask for more money for the payment of interest subsidies. I indicated that we are probably going to have to ask for a supplemental of $26 million.

We continue to believe, Mr. Michel, that the most effective way to use the limited resources of the Federal Government is to provide grants to low-income students, and to make loans generally available to all who need them, but not to have an interest subsidy with the loans.

We believe that loans are a very important part of opening up educational opportunity, and that for many income classes what they need is a long-term loan at a reasonable rate of interest with a Federal guarantee, and that the subsidy really isn't all that important. What they need to do is stretch out the cost of higher education rather than paying for it out of current income.

Our real thrust here, if we had our druthers, Mr. Michel, would be to have a full funding of the basic grant program, loan programs generally available to students so that they could have more choices about the institutions they might go to, and loans available to those who cannot obtain a basic grant program because they can't meet the financial means test, and for low-income students treat the interest payment on the guaranteed loan program as part of the cost of education in calculating the amount of basic grant entitlement.

If you are asking for the scenario that we would like to see unfold, that is it.

### SUPPLEMENTAL OPPORTUNITY GRANT

Mr. MICHEL. Do we have any record of those who have been given just a simple supplementary grant and have subsequently just dropped out of school?

Mr. MUIRHEAD. I don't know if we have any information of that kind.

Mr. MICHEL. Are there any figures at all or would it be so insignificant that that would be the reason we don't know anything about it, or is it a significant amount? I hear in some areas, and I am not altogether sure from my information whether that would be a matter of concern or not; if so, it would show a little bit bad judgment in awarding of it in the first place, but I am just wondering how extensive that is?

Mr. MUIRHEAD. I don't know the answer to your question, Mr. Michel.

Mr. Michel. Has anybody inquired into it at all? In the middle-income strata, I used to keep getting these letters. "I am not poor enough to get helped but I am not rich." We are talking about the ordinary hardworking individual who is just a shade above getting a grant, and he has a real tough go getting his kids through college and the neighbor just a shade under or some such thing gets a free ride. I am not going to be too critical of those free rides if they are being awarded judiciously and none of them are just taking a shot and then blowing it afterwards, because there are too many deserving kids to be dealing out those types of grants. Hasn't my question ever been raised?

Dr. Spearman. Our best estimates on the retention figures for supplemental grant is about 60 to 65 percent. I enter that cautiously, but we can try to substantiate this figure at about 65 percent.

Mr. Michel. I wish you would, because I recognize that there is a bigger rate of attrition and a washout after the 1st year than after the 2d, and, of course, it diminishes as you go on through, but it also causes me to want, in turn, to bear down on those initially responsible for making the awards to take an extraordinary close look. It would seem to me the record of performance would be one who are right in the first place and would end up following his prescribed course at least through undergraduate or, if in junior college, 2 years, rather than falling by the wayside. It harms not only the program itself, but those who were just a shade away from getting an assist missed it and then altogether lost out because their parents weren't able to breach the gap.

[The information follows:]

### RETENTION RATES FOR SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM RECIPIENTS

The expected retention rates for supplemental educational opportunity grants program recipients are projected from the actual data currently available concerning retention rates for the former educational opportunity grants program. However, slightly different factors affect the retention rates in the two programs. The most important is that the former educational opportunity grants program legislation clearly indicated that each student's grant should be continued for the maximum period of 4 academic years, provided that the student remained eligible, while the supplemental educational opportunity grants program legislation does not specifically require this. Finally, the SEOG program provides for a maximum period of student eligibility of up to 5 academic years under certain circumstances, while the maximum period of student eligibility for the EOG program was 4 academic years.

The projected retention rates for the supplemental educational opportunity grants program are as follows:

| | *Percent* |
|---|---|
| Initial year to first year continuing | 55 |
| First year continuing to second year continuing | 50 |
| Second year continuing to third year continuing | 50 |
| Third year continuing to fourth year continuing | 10 |

These rates represent an overall rate for retention of SEOG recipients at all types of participating institutions—universities, 4-year, 2-year, 1-year, and 6 months programs of study. Therefore, part of the attrition from each year of award to the next reflects the fact that many courses of study are less than 4 academic years in duration.

The small percentage of retention from 3d year to 4th year continuing awards—i.e., the 4th and 5th year of receipt of an SEOG award—results from the fact that a relatively small percentage of recipients are expected to remain in an eligible course of study for 5 academic years.

Dr. OTTINA. The program we were just discussing, the guaranteed student loan program, does just exactly what you are suggesting. It does create a very definite notch effect. It assumes that a child is needy because his family has an income below $15,000 per year, while a child from a family which makes $15,001 is not needy. The first student is permitted a loan of $2,000 whereas the other must go through a very complex analysis and demonstrate his need.

Mr. MUIRHEAD. It seems to me also, Mr. Michel, we are underscoring the essential fairness of the basic grant program by your line of questioning, because the basic grant program deals with all students evenhandedly. You give a very good example of a family that would not be eligible, and the neighbor next door, with perhaps $1,000 less income might be eligible. That would not be the case in basic grants, because not only do we have a uniform way of determining the amount they get; but it is graduated according to their income.

Mr. SHRIVER. That isn't evenhandedly then, is it?

Mr. MUIRHEAD. It is evenhanded in the sense that it is tied to the family contribution. Thus, if there were two families living side by side, one earning $12,000 per year whose child was not eligible for a basic grant, and one earning $11,500 per year whose child was found eligible for a basic grant, the latter student would only be receiving the minimum basic grant available. The basic grant program I think deals rather effectively with this notch effect. It graduates it according to the financial need of the student.

### GUARANTEED STUDENT LOANS

Mr. MICHEL. I think you responded, in answering the chairman's question, that these real high interest rates today are obviously not helping the student guaranteed loan program, and is decidedly an inhibiting factor. Do you have any specific figures that would help us which you might supply for the record that would paint a little picture for us there one way or another?

Mr. MUIRHEAD. We would be very pleased to provide you for the record, Mr. Michel, the whole history of the guaranteed loan program, particularly during the past year, and our best judgment as to what the impact of the money situation was, and the impact of the means test.

[The information follows:]

### EFFECT OF HIGH INTEREST RATES OF SUBSIDIZED INSURED STUDENT LOANS

We are providing narrative statement entitled "The Guaranteed Student Loan Program—Historical Background" which outlines the history of the guaranteed student loan program and two pages of statistical data which contain historical and current data on program activity. With respect to the recent decline in program volume, particularly during the last year, we would state that high interest rates generally, liquidity problems of lenders with large student loan portfolios, and the administrative problems caused by the change in the Federal interest benefits eligibility provisions as required under the Education Amendments of 1972 have all contributed in some degree to a lesser volume during the past year. We do not have the data to identify the specific impact of each of these factors.

# THE GUARANTEED STUDENT LOAN PROGRAM—HISTORICAL BACKGROUND

## HISTORICAL BACKGROUND OF PROGRAM

### HISTORICAL BACKGROUND OF PROGRAM

### A. Prior to Enactment of the Higher Education Act of 1965

Prior to the enactment of Federal legislation creating the Guaranteed Student Loan Program in 1965, seventeen States had similar type student loan programs. Most of these programs were administered by State agencies; some by private non-profit agencies often sponsored by or affiliated with State bankers associations. Loans were usually made by commercial banks to students attending colleges and universities. Only one or two approved loans for vocational students. All maintained a reserve fund (which formed the basis for their guarantee of lenders against losses usually $1 in reserve for each $10 in loans guaranteed, although the ratios ranged as high as 33-1). The reserve funds were obtained by State appropriations or contributions. The first such program started in Massachusetts in 1957.

In addition, United Student Aid Funds, Inc., (USAF) a private non-profit agency administered a nationwide program (begun in 1960) whereby colleges deposited reserves in order that their students could obtain loans. This program was largely effective in States where there was no State agency. in addition, a few corporations and States provided USAF with reserve funds.

Wisconsin, Texas, South Dakota and Florida also provided loans directly to students (as opposed to being made by banks), for the most part using State appropriations. Wisconsin's program began in 1933.

The concept of guaranteed student loans administered by these agencies formed the basis for Federal legislation, which the Congress began considering seriously in 1964. The original draft would have authorized a nationwide program of Federal loan insurance. However, as a result of strong pressure from existing guarantee agencies and the American Bankers Association, later drafts recognized the role of the State and private guarantee agencies, but provided for the program of Federal loan insurance on a standby basis, in case the States did not provide such programs.

### B. Historical Background of Program-Enabling Legislation and Subsequent Amendments

With the passage of the Higher Education Act of 1965 and the National Vocational Student Loan Insurance Act of 1965, the Federal Government became actively involved in encouraging private lenders to make educational loans. The Higher Education Act authorized the Guaranteed Student Loan Program for students in higher education, and the National Vocational Student Loan Insurance Act authorized the program for students in vocational education. These two programs were combined in 1968 into the one Guaranteed Student Loan Program we know today.

Since its inception the program has been amended eight times:

1. P.L. 89-698, The International Education Act of 1966, expanded school eligibility to include foreign schools on the list of schools whose American students could get guaranteed loans.

2. P.L. 89-752, The Higher Education Amendments of 1966, expanded the authority for the District of Columbia Student Loan Program.

3. P.L. 89-794, The Economic Opportunity Amendments of 1966, specified deferments for Peace Corps volunteers.

4. P.L. 90-460, (un-named), raised the interest rate from 6 to 7%, implemented the Administrative Cost Allowance, created reinsurance authority, and specified that the Fund would be used to support the reinsurance agreements.

5. P.L. 90-575, The Higher Education Amendments of 1968, merged the Higher Education Loan Program and the Vocational Education Loan Program into the one Guaranteed Student Loan Program.

6. P.L. 91-95, The Emergency Insured Student Loan Act of 1969, created the special allowance of up to 3% per annum on all loans made on or after August 1, 1969. This special allowance was to be adjusted and paid quarterly to lenders in addition to the 7% interest paid on the loans.

7. P.L. 92-318, The Education Amendments of 1972, instituted need analysis, increased loan maximums, insured interest (in addition to the previous provisions of insurance of principal), governed school eligibility for Federal programs, and created the Student Loan Marketing Association, a secondary market for guaranteed loans.

8. P.L. 92-391, a Congressional Joint Resolution, suspended implementation of certain sections of P.L. 93-318 until March 1, 1973.

### C. Administration of Program by Guarantee Agencies and the Office of Education (past and present)

After enactment of Federal legislation in 1965, each State was urged to implement a program of guaranteed loans. Federal advances ("seed money") were appropriated to help assist or begin such a program. These advances were actually non-interest bearing loans. Where a State agency existed, the seed money was advanced to the State agency. Where no State agency was authorized, the Office of Education contracted with United Student Aid Funds (USAF) to administer the program in that State. By the summer of 1966, the program was operational in each State. It was administered by State (or private) agencies in thirty-four states. In sixteen States, the District of Columbia and Puerto Rico, the program was administered by USAF under contract with Office of Education. Twelve of the thirty-four State agencies contracted with USAF to administer the program for the State.

While some of the State appropriated additional money to further strengthen their reserve funds (and thus increase their guarantee capacity), many did not. When the loan guarantee capability of these States (for the most part, where USAF administered the program) was exhausted, the program ceased to operate. Usually as a result of a request to the Commissioner of Education, the program of Federal Loan Insurance was implemented in these states in order to enable students to receive loans. The first State where this occurred was in North Dakota in August of 1967. The same situation occurred in a number of other States during late 1967.

In an effort to further encourage State programs, the Congress authorized (P.L. 90-460, August 3, 1968) Federal reinsurance of loans guaranteed by State or private agencies. While most of the State agencies agreed to such reinsurance, USAF did not. As a result, virtually all of the States formerly administered by United Student Aid Fund are now operating under the Federal program. Some other States did not appropriate State funds or simply chose to elect the Federal program, which was of no cost to the State, either for reserve fund or administrative purposes.

Today, about half of the country operates under the Federal program. The other half continues to be administered by State or private agencies, primarily those that had State programs prior to enactment of the Higher Education Act of 1965.

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Statistical Summary as of March 1974

Guaranteed Student Loan Program

ANNUAL LOAN VOLUME

| Fiscal Year | Federal Program Volume | Federal Program Number (000) | Guarantee Agency Volume | Guarantee Agency Number (000) | Total Volume | Total Number (000) | Percent Change Over Previous Year Volume | Percent Change Over Previous Year Number |
|---|---|---|---|---|---|---|---|---|
| 1966 | 0 | 0 | | | | | | |
| 1967 | 0 | 0 | 77 mil | 48 | 77 mil | | | |
| 1968 | 67 mil | 83 | 248 mil | 330 | 242 mil | 48 | -- | -- |
| 1969 | 218 mil | 248 | 369 mil | 433 | 436 mil | 330 | -- | -- |
| 1970 | 354 mil | 365 | 469 mil | 539 | 687 mil | 516 | 75.4 | 56.1 |
| 1971 | 484 mil | 487 | 486 mil | 557 | 840 mil | 787 | 57.5 | 52.8 |
| 1972 | 708 mil | 692 | 560 mil | 594 | 1,044 mil | 922 | 22.3 | 17.1 |
| 1973 | 635 mil | 599 | 593 mil | 564 | 1,301 mil | 1,081 | 24.3 | 17.3 |
| 1974 (9 mos) | 532 mil | 474 | 544 mil | 489 | 1,198 mil | 1,256 | 24.7 | 16.2 |
| TOTAL | 3.0 bil | 2,866 | 464 mil | 382 | 965 mil | 1,088 | - 7.9 | -13.4 |
| | | | 3.8 bil | 3,436 | 6.8 bil | 796 | | |
| | | | | | | 5,824 | | |

DISTRIBUTION OF CUMULATIVE LOANS 1/

| Family Income | Adjusted | Gross |
|---|---|---|
| 0 - 2,999 | 22.1 | 13.2 |
| 3,000 - 5,999 | 23.4 | 16.0 |
| 6,000 - 8,999 | 23.5 | 18.5 |
| 9,000 - 11,999 | 18.1 | 19.5 |
| 12,000 - 14,999 | 10.2 | 16.4 |
| 15,000 and Over | 2.7 | 16.4 |

| Race | |
|---|---|
| White | 82.0 |
| Black | 12.0 |
| Other | 2.1 |
| No Response | 3.6 |

| Sex | |
|---|---|
| Male | 63.8 |
| Female | 35.6 |
| No Response | 0.5 |

| Academic Year | |
|---|---|
| First | 34.5 |
| Second | 20.4 |
| Third | 18.7 |
| Fourth | 16.1 |
| Graduate | 8.9 |
| No Response | 1.3 |

LENDER PARTICIPATION

| Type of Lender (Includes soume branches) | Number | Percent of Lenders | Cumulative 1/ % of Loans |
|---|---|---|---|
| National Banks | 5,792 | 30.2 | 40.0 |
| State Banks | 8,365 | 43.7 | 29.4 |
| Mutual Savings Banks | 447 | 2.3 | 8.7 |
| Savings and Loan | 1,665 | 8.7 | 7.1 |
| Credit Unions | 2,592 | 13.5 | 3.0 |
| Direct Loan Programs | 2 | 0.0 | 5.9 |
| Other | 314 | 1.6 | 5.9 |
| TOTAL | 19,177 | 100.0 | 100.0 |

| Eligible Education Institutions | |
|---|---|
| Higher Education | - 3,694 |
| Vocational | - 3,787 |
| Foreign | - 604 |
| TOTAL | 8,085 |

INTEREST AND SPECIAL ALLOWANCE TOTAL PAYMENTS

| Fiscal Year | Interest | Special Allowance |
|---|---|---|
| 1967 | | |
| 1968 | $ 5,421,578 | |
| 1969 | 20,989,537 | |
| 1970 | 48,409,122 | |
| 1971 | 80,473,157 | |
| 1972 | 129,923,050 | $ 4,354,023 |
| 1973 | 171,707,845 | 16,551,641 |
| 1974 (9 months) | 201,490,505 | 18,123,333 |
| TOTAL | 161,053,636 | 22,568,682 |
| | $ 819,[illegible] | 58,165,878 |
| | | $ [illegible] |

CUMULATIVE CLAIMS SUMMARY 2/

| | All Claims Paid Amount (000) | Default Amount (000) | Default Total | Bankruptcy Amount (000) | Bankruptcy Total | Death & Disability Amount (000) | Death & Disability Total |
|---|---|---|---|---|---|---|---|
| Federally Insured | 567,575 | 78,300 | 90.0 | 2,482 | 3.1 | 4,289 | 4.9 |
| Guarantee Agency | 118,282 | 107,707 | 91.1 | 3,475 | 2.9 | 7,100 | 6.0 |
| (Federally Reinsured) | 73,463 | 66,148 | 90.0 | 1,963 | 2.7 | 5,377 | 7.3 |

SUMMARY OF COLLECTIONS

| | FY 1973 | FY 1974 | CUMULATIVE |
|---|---|---|---|
| Federally Insured | $2,438,433 | $2,556,228 | $5,317,379 |
| Guarantee Agency-reinsured | 1,357,561 | 2,311,542 | 5,452,916 |

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1/ As of June 30, 1972

2/ Figures as of February 1974 Guarantee Agency data not yet available for month of March.

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DIVISION OF INSURED LOANS
April 12, 1974

## GUARANTEED STUDENT LOAN PROGRAM
Monthly Loan Volumes

| Month | FEDERAL Number | FEDERAL Amount | GUARANTEE AGENCIES 1/ Number | GUARANTEE AGENCIES 1/ Amount | TOTAL Number | TOTAL Amount | PERCENT CHANGE No. | PERCENT CHANGE Amt. |
|---|---|---|---|---|---|---|---|---|
| FY 1972 | | | | | | | | |
| July | 63,383 | 71,893,591 | 89,159 | 102,200,512 | 152,542 | 174,094,103 | | |
| Aug. | 99,257 | 112,512,348 | 126,969 | 143,277,904 | 226,226 | 255,790,252 | – | |
| Sept. | 100,348 | 109,303,975 | 83,488 | 89,966,168 | 183,836 | 199,270,143 | | |
| Oct. | 56,931 | 60,801,464 | 38,751 | 41,765,920 | 95,682 | 102,567,384 | | |
| Nov. | 48,019 | 49,095,021 | 22,903 | 23,565,908 | 70,922 | 72,660,929 | | |
| Dec. | 47,093 | 45,176,705 | 25,961 | 24,833,364 | 73,054 | 70,010,069 | | |
| Jan. | 44,194 | 40,313,333 | 30,205 | 26,935,560 | 74,399 | 67,248,893 | | |
| Feb. | 42,746 | 39,934,598 | 22,211 | 20,304,543 | 64,957 | 60,239,141 | | |
| March | 42,793 | 39,775,782 | 15,799 | 14,577,197 | 58,592 | 54,352,979 | | |
| April | 36,532 | 33,655,580 | 9,799 | 9,590,466 | 46,331 | 43,246,046 | | |
| May | 48,771 | 44,328,177 | 17,902 | 19,305,855 | 66,673 | 63,634,032 | | |
| June | 61,809 | 61,373,171 | 57,400 | 68,370,677 | 119,209 | 129,743,848 | | |
| TOTAL | 691,874 | 708,163,745 | 540,549 | 584,694,074 | 1,232,423 | 1,292,857,819 | | |
| Dir. St. | | | 23,876 | 8,718,904 | 23,876 | 8,718,904 | | |
| TOTAL | | | 564,425 | 593,412,978 | 1,256,299 | 1,301,576,723 | | |
| FY 1973 | | | | | | | 1973/1972 | |
| July | 30,475 | 32,075,196 | 31,125 | 38,626,032 | 61,600 | 70,701,229 | -59.6 | -59.4 |
| Aug. | 25,702 | 28,462,633 | 77,993 | 92,682,401 | 103,695 | 121,145,034 | -54.2 | -52.6 |
| Sept. | 111,647 | 126,891,030 | 128,076 | 150,303,944 | 239,723 | 277,194,974 | 30.4 | 39.1 |
| Oct. | 111,803 | 133,836,014 | 64,269 | 75,180,252 | 176,072 | 209,016,266 | 84.0 | 103.8 |
| Nov. | 62,230 | 67,751,604 | 33,549 | 37,708,395 | 95,779 | 105,459,999 | 35.0 | 45.1 |
| Dec. | 43,632 | 44,523,471 | 28,656 | 30,587,546 | 72,288 | 75,111,017 | - 1.1 | 7.3 |
| Jan. | 46,752 | 46,424,470 | 32,598 | 32,203,602 | 79,350 | 78,628,072 | 6.7 | 16.9 |
| Feb. | 45,488 | 45,332,681 | 25,486 | 24,815,794 | 70,974 | 70,148,475 | 9.3 | 16.4 |
| March | 23,794 | 23,588,150 | 8,378 | 8,012,366 | 32,172 | 31,600,516 | -45.1 | -41.9 |
| April | 17,269 | 18,778,843 | 5,270 | 5,215,918 | 22,539 | 23,994,761 | -51.4 | -44.5 |
| May | 33,514 | 34,751,833 | 9,795 | 10,531,083 | 43,309 | 45,282,916 | -35.1 | -28.8 |
| June | 46,779 | 52,199,264 | 23,716 | 29,567,867 | 70,495 | 81,767,131 | -40.9 | -37.0 |
| TOTAL | 599,085 | 654,615,799 | 468,911 | 535,435,190 | 1,067,996 | 1,190,050,989 | -13.4 | - 8.0 |
| Dir. St. | | | 20,290 | 8,472,259 | 20,290 | 8,472,259 | -15.0 | - 2.8 |
| TOTAL | | | 489,201 | 543,907,449 | 1,088,286 | 1,198,523,248 | -13.4 | - 7.9 |
| FY 1974 | | | | | | | 1974/1972 3/ | |
| July | 46,750 | 58,643,001 | 43,199 | 56,841,480 | 89,949 | 115,484,481 | -41.0 | -33.7 |
| Aug. | 58,455 | 72,711,932 | 90,200 | 116,090,212 | 148,655 | 188,802,144 | -34.3 | -26.2 |
| Sept. | 55,495 | 70,479,598 | 71,767 | 91,617,585 | 127,262 | 162,097,183 | -30.8 | -18.7 |
| Oct. | 56,662 | 70,721,895 | 47,195 | 59,810,149 | 103,857 | 130,532,044 | 8.5 | 27.3 |
| Nov. | 58,234 | 72,225,612 | 30,826 | 38,416,050 | 89,060 | 110,641,662 | 25.6 | 52.3 |
| Dec | 34,051 | 39,829,392 | 23,404 | 28,135,003 | 57,455 | 67,964,395 | -21.4 | - 2.9 |
| Jan. | 42,517 | 48,919,472 | 27,898 | 32,077,325 | 70,415 | 80,996,797 | - 5.4 | 20.2 |
| Feb. | 30,803 | 34,454,085 | 17,120 | 17,879,345 | 47,923 | 52,333,430 | -26.2 | -13.1 |
| March | 30,796 | 34,015,126 | 14,541 | 14,911,033 2/ | 45,337 | 48,926,159 | -22.6 | -10.0 |
| April | | | | | | | | |
| May | | | | | | | | |
| June | | | | | | | | |
| TOTAL (9 mo) | 413,763 | 502,000,113 | 366,150 | 455,778,182 | 779,913 | 957,778,295 | | |
| Dr. St. | | | 15,606 | 7,923,586 | 15,606 | 7,923,586 | | |
| TOTAL | | | 381,756 | 463,701,768 | 795,519 | 965,701,881 | | |
| CST | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 6,797,912,334 | | |

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1/ Wisconsin Direct State loans made after July 1, 1973 are guaranteed. For comparability with prior Fiscal Years, we will continue to exclude the Wisconsin Direct State loans from the monthly Guarantee Agency volume.

2/ Preliminary - data based on oral figures.

3/ Fiscal Year 1972 figures used for comparison due to irregular patterns caused by implementation of the 1972 Education Amendments.

Mr. MUIRHEAD. As I tried to explain, when the year started out it looked as though the program was going to have a very dramatic turndown, but as the year wore on more loans were made. The outcome is that the loan level for this year will be less than last year but not nearly as much less as we had first projected.

### SUPPLEMENTAL OPPORTUNITY GRANT

Mr. MICHEL. Is EOG not matching?

Mr. MUIRHEAD. Yes.

Mr. MICHEL. Where does that come from in the main?

Mr. MUIRHEAD. It comes from a variety of sources. It can come from other Federal programs, such as college work-study, it can also come from the institute's own student financial aid resource as part of the matching.

Mr. MICHEL. Have you got any percentages?

Dr. OTTINA. It is a dollar-for-dollar match.

### WORK-STUDY PROGRAM

Mr. MICHEL. In the work-study program, the Federal money provides what, 80 percent?

Mr. MUIRHEAD. Federal money provides 80 percent of the wages, the institution provides 20 percent. The Commissioner of Education can under special circumstances waive the 20 percent matching if it turns out to be a hardship for the institution. In addition to paying 80 percent of gross salary cost, Federal funds include an allowance for the institution's administrative expenses. This amounts to 3 percent of the gross salary cost.

Mr. MICHEL. With a $20 million reduction in this program and reducing the number of student participants from 560,000 to 520,000, some 40,000 reduction, the 20 percent of student wages that come from other sources, what happens there?

Mr. MUIRHEAD. That would mean if we look upon $250 million as 80 percent and we would add on the 20 percent from the institution, that would give the total level of money available for college work-study. Thus the amount of money available for college work-study would be $20 million less than was appropriated last year but the total amount available would be $24 million less than last year because it would include also the 20 percent institutional money.

Mr. MICHEL. I guess the outside money that would make up that 20 percent would probably just be lost as far as higher education is concerned, wouldn't it?

Mr. MUIRHEAD. You might interpret it that way. We interpret it by saying that we would gain a good deal more by our proposal for full funding of the basic grants program. This too was effective in our final decision to come to you with a $1.3 billion request. I think then it is just a matter of trading off. We felt that the $20 million reduction in college work-study would get more students into schools if it were provided as part of the $1.3 billion for basic grants.

### DEVELOPING INSTITUTIONS

Mr. MICHEL. In the area of developing institutions, can you tell me a little bit more specifically where the additional $20 million is going to go?

Mr. MUIRHEAD. I would be very pleased to do that. Mr. Michel. We are privileged this afternoon because the director of that program is with us, Dr. Player, and she, of course, has been spearheading the program for several years now and has also been responsible for giving it this new thrust of advance institutional development. Perhaps Dr. Player would like to tell us how the $20 million would be used.

Dr. PLAYER. Behind the concept, Mr. Michel, of the developing institutional program is the idea that after a certain number of years when an institution has been supported under the basic program that it gains sufficient strength and has developed such a capability that it can manage larger sums of money with a view toward moving out of the program to a more secure stage. So the idea is that, given the fact that institutions will get larger grants, they can then therefore address themselves to the total institutional mission of the college, to reexamine that and restructure it, with a view toward updating what they are doing in terms of offerings for the students, moving the students into new career opportunities.

Mr. MICHEL. Who is it that really makes the judgment as to whether or not they are doing a good job? Is that done in your shop or is that a group of distinguished educators or some one bureaucrat? How does that get done? Is there any favoritism shown, or "I like this school or I like that school. I graduated there and am a good old alumnus and would like to help the home town university?" How do we do this?

Dr. PLAYER. In the first place I should say we have established criteria which we have published in the regulations which give the institutions some idea of what it takes to qualify as a developing institution. And these criteria are in terms of quantitative factors and also qualitative factors.

Mr. MICHEL. How many currently do we say are developing institutions, Dr. Player?

Dr. PLAYER. Currently we think there are about 800 developing institutions. We have assisted some 520 institutions so far with a total expenditure of $262 million.

Mr. MICHEL. Do you see a light down at the end of the tunnel here, or how long do we do this? Is it kind of like revenue sharing—are we going to be locked in for an interminable number of years once they get the taste of that easy Federal money? Is this a continuing thing we are going to get badgered with up here?

Dr. PLAYER. No, it is our belief that this program is succeeding in helping institutions to stand on their own feet. This belief is being borne out by our experience in the advanced institutional development program. We have only been in the advanced program now for 1 year. But in fiscal year 1973 we saw already that all except one of the institutions that had been helped from 5 to 8 years under the basic developing institutions program qualified immediately with very high ranking for the advanced program. We see in this somewhat of a reflection of the fact it would take some 10 to 15 years for an institution to move through the basic program into the advanced program and, finally, out of the program.

### FOREIGN LANGUAGE AND AREA STUDIES

Mr. MICHEL. I have one final area here, Dr. Muirhead. In the foreign language area studies, this request you have here is how much less than what we have currently in the program this year?

Mr. MUIRHEAD. We are asking this year for $10 million which is $2.7 million less than last year. We are asking for the $10 million in two categories, as you know, Mr. Michel, one for the support of the language area centers program under title VI and the other under the Fulbright-Hays Act. Our request continues the level of the Fulbright-Hays Act the same as last year, and our reduction is in the title VI request.

Mr. MICHEL. What effect is that going to have for those institutions involved in the title VI part?

Mr. MUIRHEAD. Mr. Michel, if you will permit me, I would like to ask the Director of our program, Dr. Leestma, who is here and whom I am sure can answer that question more fully than I can.

Dr. LEESTMA. As you know, we fund four different categories of activities under the title VI appropriations—centers, programs, fellowships, and research.

The impact of the reduction is roughly as follows: For centers, there is little significant difference. We are maintaining the same number of centers—50—at less than a 10 percent reduction in the average level of support.

Most of the reduction comes in number of programs and in number of fellowships.

The research budget drops off from about $850,000 down to $500,000. So it is the programs and the fellowships that are absorbing the bulk of the reduction.

Mr. MICHEL. You are aware, of course, of the concern in the area studies community over the focusing of support I guess on a few what could be called supercenters or really high-powered centers. Isn't it a fact that these supercenters rely on Federal funding to a much greater degree than many of the smaller centers?

Dr. LEESTMA. I don't think you could really say that as an overall generalization.

Mr. MICHEL. You couldn't?

Dr. LEESTMA. No.

Mr. MICHEL. Is it an erroneous assumption on my part in making that kind of a statement?

Dr. LEESTMA. No, sir. I think some of the information you may have been given by some of the centers that did not succeed in appearing on the list of 50 might have given rise to such a possible interpretation.

Mr. MICHEL. Is the excellence of a center directly related to its size?

Dr. LEESTMA. Perhaps to some extent, but I would really approach the issue somewhat differently.

In the opening up of the center category to a complete nationwide competition for the first time in 15 years, size per se was not a single or all determining criterion. We very carefully worked out with the academic community a rather extensive set of criteria to define a comprehensive center of excellence, which is what we were after. By comprehensive we meant such things as range of disciplines offered as well as depth of course work in different disciplines. We were concerned with the spread of languages for that world area and the number of beginning and intermediate and advanced courses available in the different languages. We meant such things as faculty qualification, library resources, and so on—a broad range of considerations fundamental to the concept of a comprehensive center of excellence in teaching, research, and service.

Depending upon what you mean by size, whether it would be enrollment of students or perhaps total budget, et cetera, there may be a correlation. But simply out of my head I could identify various centers that would be small in terms of number of students enrolled which would be very high caliber indeed, and there would be other centers that would have large student enrollments that would be of equally high caliber.

Mr. Michel. Mr. Chairman, that's all I have.

Mr. Flood. Mr. Obey.

Mr. Obey. Mr. Chairman, in the interest of time I just have a very few questions I would like to ask.

### SPECIAL SERVICES FOR VETERANS

First of all, Dr. Muirhead, it is my understanding on the veterans cost of instruction program, in your justification on page 78 you refer to special services provided for veterans. I am frankly not very familiar with what that means. Could you enlighten me a little bit as to what kind of special services you are talking about?

Dr. Phillips. I think the special services really revolve around getting back into the mainstream of education and career planning and a variety of counseling services that are particularly and specifically tailored to the special needs of veterans returning to civilian society.

I think the main point about our budget request or lack thereof is that these recruitment activities and the completion of the special services have pretty well taken place now. The veterans are in very large measure now enrolled in postsecondary education, and it appears this in a time when they can take advantage of not only the veteran's benefits but also student assistance benefits, and that these are the programs on which we would like to put our heaviest emphasis rather than on a continuation of institutionally provided special services.

Mr. Obey. I can understand about the formula and who it rewards and who it doesn't, but I would just wonder if your desire to eliminate the recruitment emphasis might be justified in light of circumstances, whether or not it might be unjustified to discontinue some of those special services you are talking about.

Dr. Phillips. Hopefully—and there is some evidence to support this—a number of these special services that have been established, can be integrated with other activities that are already supported by the institutions, we do not believe it is justifiable to extend indefinitely the Federal support of ongoing services which institutions should be providing in any case for their students that have been recruited.

We think that a good measure of the job has been accomplished and that there is a capacity now for services to veterans to be integrated, if you will, at the institutional level with service to all students with a variety of special needs, and that we can reach them and recruit, if you want to use that word, through the vehicle of the sort of open-ended availability of basic grants.

Mr. OBEY. I went to school right after the Korean War and it seems to me there was just a tremendous dichotomy between the need of the average undergraduate such as myself at that time and the needs of veterans, and I just wondered whether or not it is in the best interest of the veterans to rely to that degree on the ability of the institution to fold in their counseling programs, for instance of veterans, with the average undergraduate who is in a quite different situation in many ways.

Mr. MUIRHEAD. Mr. Obey, I would just like to point out that under the special services for the disadvantaged program, we are asking you to support, where there are a significant number of veterans on the campus, that program can be directed toward providing the counseling service that is very much needed by the veterans.

Mr. OBEY. What if you take the kind of institution which is awarded according to the formula and they have had very few veterans in the past so you don't have that kind of critical mass and don't have that kind of experience?

Mr. MUIRHEAD. Our intention is, Mr. Obey, in evaluating proposals for support under the special services for the disadvantaged program to give very serious consideration, and perhaps special consideration, to those proposals that were serving veterans.

### VIETNAM VERSUS KOREAN VETERANS

Mr. OBEY. I know there are other factors that enter in there quite substantially but what percentage of Vietnam veterans go on to college as opposed to Korean War veterans?

Mr. MUIRHEAD. I think I would have to provide that for the record because the figures on that have changed quite a good deal over the past several years.

Mr. OBEY. It is substantially lower though isn't it?

Mr. MUIRHEAD. It is substantially lower. And at one time it was so much lower it was a matter of great national concern.

Mr. OBEY. My point is under those circumstances, since it is substantially lower, how can it be said that the recruitment effort is largely behind you?

Mr. MUIRHEAD. I didn't finish my answer. I would say a few years ago it was substantially or markedly lower, so much so it was a national concern, but the situation has now improved. Whether or not it has improved enough is a matter of judgment.

[The information follows:]

COMPARISON OF EDUCATION PARTICIPATION RATES

| | Korean conflict September 1952 to June 1959 | Vietnam era June 1966 to April 1973 |
|---|---|---|
| Veteran population | 5,443,000 | 6,476,000 |
| Total trained | 2,280,412 | 2,647,993 |
| Percent | 41.9 | 40.9 |
| College | 1,153,448 | 1,505,248 |
| Percent | 21.2 | 23.2 |
| Below college | 815,075 | 868,347 |
| Percent | 15.0 | 13.4 |
| On the job training | 34,889 | 274,398 |
| Percent | 5.7 | 4.3 |

Mr. OBEY. There is still a very large gap, as I recall, between our performance on it this time and in the last war.

What factors do you think account for the great disparity between the Vietnam war and the Korean war other than the adequacy of GI bill benefits for instance?

Mr. MUIRHEAD. One of the factors that had considerable impact upon the college going plans of returning Vietnam veterans was the fact that only those people who were not in college were recruited or drafted for the Vietnam war, and so it is likely that the percentage of returning Vietnam veterans who would want to or have an interest in pursuing postsecondary education was possibly lower than——

Mr. OBEY. I was hoping you would say that because that is what you said last year and that brings me to my next question.

Mr. MUIRHEAD. Sure.

VETERANS PROGRAMS

Mr. OBEY. Assuming that is the case and assuming you had many more blacks in the war this time versus World War II, would it not be possible because they have now been around the world, they have gotten a little bit of a different kind of education than they would get in a university but nevertheless they become much more exposed to opportunities around the world, wouldn't there be a greater possibility of recruiting blacks for college under this kind of a program than there would be under upward bound or some of the other programs you suggested we consolidate?

Mr. MUIRHEAD. We believe, and I am very glad that you brought me up to heel on my answer for last year—we believe that with the proposal that we have before you now, with a very dramatic increase in the amount of money for basic grant, that we will be able to reach an increasing number of disadvantaged, including blacks——

Mr. OBEY. I am not comparing it with the BOG's program but comparing it with the money we put in other programs like talent search and upward bound.

Mr. MUIRHEAD. You are quite right in pressing me on that point, but my case for not coming before you in support of the veterans' instructional program is dependent, or rests upon, the two thrusts I am trying to make.

One is that we will have full funding for basic grants and that we will be able to reach many of those students, many of those returning veterans who would not have been willing to go on to college but now can get a basic grant, and that we are——

Mr. OBEY. How many of them do you think know they can get a basic grant?

Dr. SPEARMAN. Mr. Obey, in 1972 the Congress was kind enough to make an appropriation of $5 million for the implementation of several upward bound-talent search type programs aimed at assisting veterans. Out of the $5 million appropriated we funded 67 programs, and we concentrated our efforts in those areas in which the largest proportion of veterans of low-income status and those who had not had the benefit of postsecondary education prior to the draft and participation in the armed services would be able to participate. That program has continued to operate for 3 consecutive years and has—I want to put the exact figures in the record—aided approximately 120,000 people.

In addition, we have asked the people in the funding of the programs to consider those institutions that are responding with the heaviest concentration of veterans. It is a part of our operational systems objective to be responsive to those institutions that are serving heavy concentration of veterans. So there is some duplication of effort in terms of a kind of longitudinal program such as upward bound talent search through the special services program that exists in postsecondary institutions.

Mr. OBEY. The reason I bring this up is because in most cases it frankly drives me nuts to see colleges and universities recruiting kids because I would many times prefer a lot of them be in a good technical school rather than going into college. In the case of veterans, given the disparity between Korea and Vietnam, I do not feel comfortable in granting that the recruitment job is largely behind us.

Let me turn to a couple other questions.

### NDEA TITLE VI

You or someone indicated for NDEA title VI that because you are a little over $2 million lower than last year's appropriation, the items that are suffering are the number of programs and number of scholarships. How many fewer scholarships?

Dr. LEESTMA. Approximately 235.

Mr. OBEY. How many fewer programs?

Dr. LEESTMA. The numbers are smaller but they are cut roughly in half, a little more than half.

Mr. OBEY. Could you provide for the record what those would be?

Dr. LEESTMA. We will be glad to, yes.

[The information follows:]

NUMBER OF NDEA FELLOWSHIPS AND PROGRAMS

| | Fiscal year— | |
|---|---|---|
| | 1974 | 1975 |
| Undergraduate programs: | | |
| Number of new programs | 9 | 10 |
| Number of continuing programs | 39 | 9 |
| Total number | 48 | 19 |
| Graduate programs: | | |
| Number of new programs | 6 | 6 |
| Number of continuing programs | 19 | 6 |
| Total number | 25 | 12 |
| Fellowships, graduate level: | | |
| Number of fellowships | 837 | 600 |
| Average cost | $4,400 | $4,700 |

Mr. OBEY. I guess I don't understand the language here, Dr. Muirhead. In your statement you say "Continuing expansion of relations with other countries warrants Federal support for this categorical program."

I appreciate that the administration has come as far as it has in this type of relations, but I still question, in light of your admission that we have had an expansion of relations with other countries, most especially the Soviet Union and the People's Republic of China, why if we are expanding relations with other countries should we have a contraction in terms of number of programs and number of fellowships available in the programs?

Mr. MUIRHEAD. The language that you refer to in my opening statement, of course, must be put against the background of the language that was in my statement last year. And last year we were requesting no funds for these programs. So this year we were trying to get some support on the basis of the fact we had become a little wiser in the course of a year and are now coming up with a request for funds. I was not intending to indicate in that statement that we were coming up with an expansion of the program over the level in which it was apropriated. It was an expansion over the level of the program we had advocated last year.

## UPWARD BOUND AND TALENT SEARCH

Mr. OBEY. I have three more questions. You indicated on upward bound, talent search, and the like you wanted us to consolidate the appropriated items, that you would not be consolidating the programs. My question is simply why and how will that consolidation of the appropriations prevent the overlapping which someone else referred to earlier?

Mr. MUIRHEAD. As I tried to respond to the question before, we are not seeking to consolidate the programs per se. They will continue to pursue the mission for which they were authorized, but we are before you with a budget proposal that would consolidate the funds. I am not at all sure whether or not that is responsive to your question.

Mr. OBEY. After your initial response to the chairman's question someone back there referred to the efforts to prevent overlapping which this would facilitate. I didn't quite understand how it would facilitate the reduction in overlapping.

Dr. SPEARMAN. I think the key factor in the case of the three programs of special services for the disadvantaged programs is that there is a common underlying mission in all three programs. A consolidated appropriation would permit us to allocate funds among the three programs in accordance with the need as determined after the review of proposals from the institutions. For instance, if requests for talent search funds should be proportionately greater than we now anticipate, while requests for upward bound funds run proportionately less than our current estimates, we would like to be able to redistribute funds between the two programs. This kind of flexibility is not possible if each program has a separate appropriation. However, even with a single appropriation, as is authorized by statute, the individual programs would not lose their identity and we would continue to report to the Congress on the accomplishments and expenditure of funds for each inividual program.

Mr. OBEY. I understand that. Someone said this would help end the overlapping and I didn't understand how it would limit the overlapping.

Mr. EVANS. I said that, Mr. Obey. You have a program like the talent search program, which has the mission or responsibility of seeking out talented youngsters who are disadvantaged, to urge them and give them some kind of help to go on to postsecondary education. As it happens there is a very similar aim in the upward bound program to do the same thing. Once the children from those two somewhat similar programs find themselves in an institution of postsecondary education they need some assistance or some aid and some further help. The point simply is that if these three related efforts can be managed and carried out under a common administration, and common set of priorities, it is likely to be a better integrated effort than if they are three compartmentalized programs going their separate ways, and on occasion bumping into each other or doing redundant or overlapping things. That does not mean, as has been said here by two or three people, that the central missions of seeking out a selection process to find these disadvantaged kids, to give them some stimulation to go to postsecondary education and to give them some assistance once they get there, will be lost sight of. These basic missions will be preserved, but presumably in a more organized way, if they are made into a common program.

Mr. OBEY. I thought you said they wouldn't be made in a common program.

Mr. EVANS. The programmatic objectives are not going to be altered in any way but they are going to be subject to presumably improved coordination.

## BASIC OPPORTUNITY GRANTS

Mr. OBEY. Let me just ask one other question about BOGS. Dr. Muirhead, you indicated earlier, again in response to the chairman's question, that you thought what Congress had in mind on BOGS was to knock out EOG and the other programs as soon as BOGS could be relied upon to carry the load. That kind of reminds me of my legislative days back in Wisconsin. On one occasion we passed an educational bill and had a hell of a time arguing with the State Department of Administration about what ought to be in that bill. So, we amended their bill, passed it, and 3 weeks after it was passed, they were busy interpreting our legislative intent and trying to get the original bill which they had lost on the floor by their interpretation of the new law. Do you really think that Congress would be in any way receptive to eliminating those old programs and putting all the money in BOGS? Do you really think that is what their intent was when they earmarked the money for the old programs?

Mr. MUIRHEAD. You may recall, Mr. Obey, I offered as my judgment that they had included the continued support for the college-based programs as an assurance that we would continue to have a viable student aid package, and that they were waiting, and in a rather compassionate way, to see whether or not this concept of a basic grant program would accomplish all of the things that were claimed for it.

I think that the Congress will, of course, be reviewing that. As you know, Mr. Obey, the act comes to an end in fiscal 1975. I think then that the authorizing committees will take a look and a very critical look, at how the basic grant program is indeed operating, and may very well come forward with some changes in it. Perhaps one of the changes in it will be that now that we are assured that the basic grant program will indeed reach out to all eligible students, and provide them with a foundation upon which they can build their postsecondary education costs, then we have no further need for these college-based programs.

Mr. OBEY. When you say now that we are assured, is my recollection correct on this? We gave you last April 12, $122 million.

Mr. MUIRHEAD. That is right.

Mr. OBEY. I remember Mrs. Green at the time saying that you would never be able to spend it. Evidently she was right. How much did you say you will have left?

Mr. MUIRHEAD. Our best estimate at this time is about $45 million.

Mr. OBEY. How would you like to take that case to the floor and say based upon that great record of success we are ready to rely on this for funding for higher education and, fellows, follow us.

Mr. MUIRHEAD. I would feel taking that case to the floor, and only that information to the floor, would indeed make it most difficult for you to support what we are asking you to support. But I guess what I am asking is, that in making that case, we take into consideration all of the extenuating circumstances that caused our inability to spend the $122 million. I would also hope that you would take a look at what we are proposing to do and the progress we are making in spending the $475 million that you appropriated in fiscal 1974. I think we can provide you with evidence and information that would show that the administrative problems with which the program was beset last year are, in very large measure, on their way to being resolved.

Mr. Obey. Just one last question. When we did give you that money last year, the chairman on the floor indicated that it was this committee's understanding that if that money was not fully utilized under the BOGS program, that it would be utilized under the EOG program. What is the reason why it hasn't been? Maybe there is something I don't understand about this. Why are you back suggesting that it be dumped into next year's budget rather than following the intent of the committee?

Mr. Muirhead. Our response to that would be that the SEOG program would not be an appropriate vehicle for us to utilize those funds, because the SEOG program is forward funded just as the basic grant program is forward funded, and if we were to find some way in which we could utilize the $45 million to supplement the grants of SEOG holders during the college year, we would have the same difficulties and if I may say so, the same rather ineffective use of Federal funds as if we were to try to supplement the basic grants program.

Mr. Obey. So what you are saying is it just wasn't practical.

Mr. Muirhead. I am saying it has turned out to be impractical.

Mr. Obey. That is all, Mr. Chairman.

Mr. Flood. Mr. Shriver.

Mr. Shriver. Thank you, Mr. Chairman.

### GUARANTEED STUDENT LOANS

Mr. Muirhead, you say this budget request for student assistance will aid about 2.5 million students, more than ever. As members of this subcommittee, we get many contacts from students and groups regarding this. What I am hearing is that this isn't going to be adequate, primarily because of the difficulty in getting the banking community to participate in the guaranteed loan program, which you are relying heavily upon.

Mr. Muirhead. Yes.

Mr. Shriver. Maybe it is just in my part of the country where the trouble is.

Mr. Muirhead. No, Mr. Shriver, you are not the sole custodian of that problem. We have that problem in all parts of the country, but I think it has to be put into context. We and many other people have criticized the banking community for their alleged failure to support the guaranteed loan program, but when you look at the record of the guaranteed loan program it really has been quite phenomenal, the way in which bankers have supported this program. We have now a program that started, for all practical purposes, in 1966–67, and it has now reached a level of $7 billion provided by banks.

Mr. Shriver. Why don't we put into the record a table or some summary to help us prove what you are saying.

Mr. Muirhead. Yes, I certainly will be glad to do that and Mr. Shriver, I think I should be responsive to your question and say that you are quite right in pointing out that there are islands, there are places where the program is not being supported as it should be, and we are hopeful that we can find ways to improve it in those areas. But on the whole it seems to me that the American public should be really very grateful to the American banking community for the way they have supported this program over the years.

[The information follows:]

*Table Showing Banking Support for the Guaranteed Student Loan Program*

We are providing a summary table which shows the distribution of loans by type of lending institution for the cumulative period since the program's inception in 1966 through 1972. Definitive data are not available for the past year. While all banks' share of total volume was lesser in fiscal year 1972, which was the peak lending year in the program, the absolute number and dollar amount remained about the same as in prior years, or approximately 850,000 to 900,000 loans.

As we have already pointed out, the participation of banks and all commercial lenders has been affected over the past year because of high interest rates and the administrative problems brought about with the introduction of needs analysis into the program.

Even with these problems, we feel confident that the banking community is committed to and will continue to participate in the guaranteed student loan program. We would estimate that banks have made approximately $5 billion of the $7 billion loans made to date.

The recent changes in the law affecting Federal interest benefits eligibility to become effective on June 2 should certainly contribute to our efforts to simplify the procedures which have contributed to the decline over the past year.

## GUARANTEED STUDENT LOAN PROGRAM

National Distribution of Loans by Type of Lending Institution
For Fiscal Year 1972, All Prior Fiscal Years and Cumulative Since Inception
Figures in Percentages

| Lending Institution | Fiscal Year 1972 | | All Prior Fiscal Years | | Cumulative Since Inception | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| National Banks | 34.1 | 33.7 | 42.0 | 42.9 | 40.0 | 40.3 |
| State Banks(FDIC) | 28.1 | 28.4 | 29.6 | 30.5 | 29.3 | 30.0 |
| State Banks(NonFDIC) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Mutual Savings Banks | 8.6 | 9.7 | 8.7 | 10.0 | 8.7 | 9.9 |
| All Banks | 70.9 | 71.9 | 80.4 | 83.5 | 78.1 | 80.3 |
| Federal Savings & Loan | 5.6 | 6.0 | 4.0 | 4.5 | 4.4 | 4.9 |
| State Savings & Loan | 3.7 | 4.2 | 2.3 | 2.7 | 2.7 | 3.1 |
| All Savings & Loan | 9.3 | 10.2 | 6.3 | 7.2 | 7.1 | 8.0 |
| Federal Credit Unions | 2.0 | 2.2 | 1.8 | 2.1 | 1.9 | 2.1 |
| State Credit Unions | 1.6 | 1.6 | 1.0 | 1.1 | 1.1 | 1.2 |
| All Credit Unions | 3.6 | 3.8 | 2.8 | 3.2 | 3.0 | 3.3 |
| Insurance Companies | 0.3 | 0.4 | 0.1 | 0.1 | 0.1 | 0.2 |
| Academic Institutions | 1.8 | 1.5 | 0.5 | 0.4 | 0.8 | 0.7 |
| Direct State | 1.8 | 0.6 | 7.2 | 3.2 | 5.9 | 2.5 |
| Any Other Classification | 1.7 | 1.1 | 1.4 | 0.7 | 1.4 | 0.8 |
| Vocational Education | 10.6 | 10.5 | 1.3 | 1.7 | 3.6 | 4.2 |

Mr. SHRIVER. There is a question too of other needs for their money.

Mr. MUIRHEAD. Yes.

Mr. SHRIVER. I can understand why there would be those islands, those pockets. You might also provide figures on what States are doing over this same period of time we are talking about.

[The information follows:]

PARTICIPATION IN GUARANTEED STUDENT LOAN PROGRAM DATA BY STATES

We are providing a series of tables which show loan volume for individual States under the State agency and federally insured programs during the recent period under the Education Amendments of 1972 which became effective on March 1, 1973, and for the same period during fiscal year 1972, the last full year during which the prior law was in effect.

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[illegible] - STAT[illegible] FY 1972

| | BEG. OF OPR. | NUMBER | AMOUNT | NUMBER | AMOUNT | NUMBER | AMOUNT |
|---|---|---|---|---|---|---|---|
| TOTALS | | 22,153 | 19,[illegible],535 | 144,[illegible] | 478,[illegible],163 | 2,[illegible],011 | 2,[illegible] |
| ALABAMA | 12/66 | 0 | 155 | 25 | 30,375 | 6,400 | 3,981,225 |
| ALASKA | 6/66 | 22 | 22,935 | 215 | 259,464 | [illegible],096 | [illegible] |
| ARIZONA | 6/66 | 0 | 131 | 0 | 2,131 | 1,303 | 1,545,333 |
| ARKANSAS | 10/67 | 106 | 51,906 | 4,192 | 3,322,976 | 19,150 | 13,425,552 |
| CALIFORNIA | 9/66 | 0 | 0 | 0 | 0 | 15,061 | 15,158,658 |
| COLORADO | 6/66 | 2 | 800 | 3 | 6,271 | 4,590 | 2,015,519 |
| CONNECTICUT | 1/67 | 1,090 | 677,283 | 19,390 | 23,953,069 | 114,673 | 135,192,585 |
| DELAWARE | 10/66 | 50 | 35,571 | 1,670 | 287,345 | 9,201 | 5,010,[illegible] |
| D.C. | 12/67 | 119 | 124,405 | 2,084 | 2,165,750 | 7,251 | 7,391,[illegible] |
| FLORIDA | 9/66 | 5 | 7,011 | 28 | 32,907 | 5,365 | 4,875,[illegible] |
| GEORGIA | 3/67 | 395 | 313,945 | 9,736 | 9,654,881 | 32,036 | 47,475,553 |
| HAWAII | 11/66 | 2 | 1,700 | 155 | 249,427 | 2,137 | 1,878,243 |
| IDAHO | 6/66 | 0 | 0 | 14 | 5,050 | 1,325 | 665,765 |
| ILLINOIS | 5/67 | 2,418 | 2,511,599 | 37,358 | 36,077,161 | 184,684 | 185,[illegible] |
| INDIANA | 6/66 | 0 | 0 | 0 | 0 | 6,008 | 5,[illegible] |
| IOWA | 8/66 | 0 | 759 | 6 | 10,499 | 27,609 | 21,[illegible] |
| KANSAS | [illegible] | 9 | 7,841 | 62 | 55,[illegible] | 4,[illegible] | [illegible] |
| KENTUCKY | [illegible] | 0 | 535 | 19 | 23,154 | 10,327 | 7,[illegible] |
| LOUISIANA | [illegible] | 311 | 151,137 | 7,385 | 6,180,238 | 41,391 | 29,[illegible] |
| MAINE | [illegible] | 417 | 337,431 | 6,229 | 6,178,791 | 33,803 | 29,[illegible] |
| MARYLAND | [illegible] | 174 | 145,451 | 3,625 | 3,652,840 | 21,749 | 23,075,415 |
| MASSACHUSETTS | [illegible] | 695 | 692,055 | 17,871 | 19,306,661 | 111,726 | 106,593,558 |
| MICHIGAN | [illegible] | 1,295 | 1,206,702 | 17,361 | 27,675,726 | 74,557 | [illegible] |
| MINNESOTA | [illegible] | 6 | 4,479 | 43 | 46,919 | 5,[illegible] | [illegible] |
| MISSISSIPPI | [illegible] | 3 | 3,827 | 59 | 55,248 | 6,521 | 4,[illegible] |
| MISSOURI | [illegible] | 15 | 12,[illegible] | 49 | 47,[illegible] | [illegible],471 | 14,849,503 |
| MONTANA | [illegible] | 1 | 750 | 2 | 1,832 | 1,400 | 675,[illegible] |
| NEBRASKA | [illegible] | 0 | 0 | 5 | 5,837 | 2,165 | 1,[illegible] |
| NEVADA | [illegible] | 127 | 99,587 | 1,093 | [illegible],513 | 1,075 | 2,[illegible] |
| NEW HAMPSHIRE | [illegible] | 151 | 119,339 | 2,532 | 2,336,434 | 14,378 | [illegible] |
| NEW JERSEY | [illegible] | 1,028 | 1,[illegible] | 34,172 | 36,989,336 | 178,493 | 167,[illegible] |
| NEW MEXICO | [illegible] | 0 | 59 | 14 | 17,122 | 5,44[illegible] | [illegible] |
| NEW YORK | [illegible] | [illegible] | 5,[illegible] | 126,[illegible] | 139,834,[illegible] | [illegible] | [illegible] |
| NORTH CAROLINA | [illegible] | 130 | 71,312 | 5,863 | 5,595,[illegible] | [illegible] | [illegible] |
| NORTH DAKOTA | [illegible] | 0 | 164 | 5 | 7,377 | [illegible] | [illegible] |
| OHIO | [illegible] | 922 | [illegible] | 10,704 | [illegible],185,357 | 33,[illegible] | [illegible] |
| OKLAHOMA | [illegible] | 306 | 150,44[illegible] | 5,204 | 4,320,965 | [illegible] | [illegible] |
| OREGON | [illegible] | 381 | [illegible] | 9,235 | 7,890,673 | 44,639 | [illegible] |
| PENNSYLVANIA | [illegible] | 3,[illegible] | 3,[illegible],013 | 55,563 | 78,202,016 | 351,357 | [illegible] |
| RHODE ISLAND | [illegible] | 345 | 272,320 | 6,641 | 6,581,349 | 28,309 | 26,515,724 |
| SOUTH CAROLINA | [illegible] | 74 | [illegible] | 1,[illegible] | 1,[illegible] | [illegible] | [illegible] |
| SOUTH DAKOTA | [illegible] | 0 | 18 | 5 | 7,231 | 4,623 | 2,[illegible] |
| TENNESSEE | [illegible] | 299 | 249,[illegible] | 5,765 | 5,331,940 | 35,[illegible] | [illegible] |
| TEXAS | [illegible] | 0 | [illegible] | 26 | 37,[illegible] | 15,357 | [illegible] |
| UTAH | [illegible] | 0 | 0 | 7 | 7,558 | 1,974 | 1,102,392 |
| VERMONT | [illegible] | 59 | 44,[illegible] | 1,438 | 1,557,[illegible] | [illegible] | [illegible] |
| VIRGINIA | [illegible] | 296 | 257,[illegible] | 9,778 | 9,[illegible],350 | [illegible] | [illegible] |
| WASHINGTON | 5/66 | 0 | 662 | 4 | 5,023 | 3,948 | 2,817,[illegible] |
| WEST VIRGINIA | [illegible] | 1 | 713 | 17 | 16,626 | 3,018 | 2,[illegible] |
| WISCONSIN (1) | [illegible] | 1,093 | [illegible] | 15,321 | 12,150,904 | 53,774 | 40,[illegible] |
| WYOMING | 6/56 | 8 | 5,700 | 42 | 43,963 | 1,157 | [illegible] |
| USAF | [illegible] | 487 | 497,[illegible] | 10,595 | 11,783,[illegible] | 127,[illegible] | 111,[illegible] |
| PUERTO RICO | [illegible] | 0 | 179 | 3 | 3,736 | 6,711 | [illegible] |
| VIRGIN ISLANDS | [illegible] | 5 | 5,350 | 73 | 98,229 | 181 | [illegible] |

(1) DIRECT [illegible] LOANS [illegible] IN [illegible] TOTALS. SEE BELOW FOR DI[illegible]

| | CURRENT MONTH | | FY-CUMULATIVE | | SINCE INCEPTION | |
|---|---|---|---|---|---|---|
| | NO. | $ | NO. | $ | NO. | $ |
| WISCONSIN | 3,224 | 443,[illegible] | 29,610 | 7,448,959 | [illegible] | [illegible] |

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GUARANTEED LOAN VOLUME - STATE & PRIVATE PROGRAMS AS OF FEBRUARY 1974

|  | BEGAN OPER. | MONTHLY VOLUME |  | CUMULATIVE- |  | CUMULATIVE |  |
|---|---|---|---|---|---|---|---|
|  |  | NUMBER | AMOUNT | NUMBER | AMOUNT | NUMBER | AMOUNT |
| TOTALS |  | 18,191 | 18,328,819 | 384,567 | 469,042,718 | 3,869,252 | 3,863,279,947 |
| ALABAMA | 10/65 | 0 | 0 | 11 | 14,834 | 6,432 | 4,028,620 |
| ALASKA | 5/66 | 11 | 15,112 | 120 | 203,577 | 1,383 | 1,433,195 |
| ARIZONA | 6/66 | 0 | 0 | 3 | 5,733 | 3,338 | 1,554,399 |
| ARKANSAS | 10/67 | 123 | 86,086 | 2,635 | 2,508,647 | 25,871 | 19,346,648 |
| CALIFORNIA | 9/65 | 0 | 0 | 0. | 0 | 18,068 | 15,158,658 |
| COLORADO | [illegible] | 0 | 0 | 8 | 9,538 | 2,708 | 2,038,941 |
| CONNECTICUT | [illegible] | 1,119 | 890,123 | 22,193 | 31,462,244 | 165,430 | 202,132,043 |
| DELAWARE | 10/66 | 41 | 30,970 | 1,549 | 1,087,352 | 12,909 | 7,392,595 |
| D. C. | 12/67 | 163 | 168,410 | 1,316 | 1,389,210 | 10,640 | 10,942,703 |
| FLORIDA | [illegible] | 7 | 7,427 | 51 | 58,280 | 6,751 | 5,004,821 |
| GEORGIA | [illegible] | 290 | 277,792 | 6,411 | 7,299,740 | 71,790 | 68,052,423 |
| HAWAII | 11/65 | 1 | 4,065 | 186 | 228,172 | 2,546 | 2,500,061 |
| IDAHO | 6/66 | 0 | 0 | 4 | 2,993 | 1,338 | 874,918 |
| ILLINOIS | [illegible] | 1,260 | 1,428,111 | 21,577 | 27,299,734 | 244,259 | 268,067,937 |
| INDIANA | 8/66 | 3 | 790 | 189 | 171,799 | 1,415 | 1,275,361 |
| IOWA | [illegible] | 0 | 0 | 0 | 6,468 | 27,509 | 21,305,722 |
| KANSAS | [illegible] | 5 | 4,917 | 46 | 48,650 | 4,195 | 2,723,232 |
| KENTUCKY | [illegible] | 1 | 932 | 11 | 14,108 | 10,051 | 7,038,277 |
| LOUISIANA | [illegible] | 193 | 110,060 | 4,529 | 4,473,211 | 53,059 | 40,201,486 |
| MAINE | [illegible] | 247 | 214,208 | 4,031 | 4,198,431 | 44,800 | 42,875,946 |
| MARYLAND | [illegible] | 208 | 204,237 | 4,766 | 5,605,250 | 33,153 | 32,622,252 |
| MASSACHUSETTS | [illegible] | 917 | 1,082,473 | 19,480 | 25,726,564 | 158,237 | 164,519,534 |
| MICHIGAN | [illegible] | 969 | 959,459 | 12,249 | 15,571,214 | 109,167 | 103,845,126 |
| MINNESOTA | [illegible] | 2 | 2,749 | 62 | 75,437 | 5,442 | 3,802,466 |
| MISSISSIPPI | [illegible] | 1 | 1,535 | 19 | [illegible] | [illegible] | [illegible] |
| MISSOURI | [illegible] | 11 | 14,472 | 155 | 207,799 | 7,274 | 5,212,181 |
| MONTANA | [illegible] | 0 | 0 | 0 | 13 | 1,437 | 679,550 |
| NEBRASKA | [illegible] | 0 | 0 | 13 | 14,600 | 2,185 | 1,471,681 |
| NEVADA | [illegible] | 71 | 56,973 | 678 | 698,912 | 6,365 | 5,372,338 |
| NEW HAMPSHIRE | [illegible] | 144 | 130,719 | 2,062 | 2,225,156 | 19,425 | 17,553,858 |
| NEW JERSEY | [illegible] | 992 | 1,272,690 | 29,421 | 42,423,852 | 254,800 | 287,830,275 |
| NEW MEXICO | 7/65 | 0 | 0 | 13 | 11,3[illegible] | 5,474 | 2,885,910 |
| NEW YORK | [illegible] | 5,004 | 5,319,080 | 98,318 | 124,130,083 | 1,022,338 | 1,063,875,868 |
| NORTH CAROLINA | [illegible] | 135 | 98,767 | 2,324 | 3,370,556 | 33,553 | 25,026,725 |
| NORTH DAKOTA | 5/66 | 0 | 0 | 0 | 242 | 1,359 | 871,078 |
| OHIO | 3/62 | 504 | 711,984 | 14,437 | 18,909,532 | 128,292 | 140,216,713 |
| OKLAHOMA | 7/65 | 201 | 107,490 | 3,613 | 3,106,606 | 34,292 | 27,435,109 |
| OREGON | 9/67 | 347 | 286,283 | 5,476 | 5,782,624 | 62,761 | 49,672,015 |
| PENNSYLVANIA | [illegible] | 2,131 | 2,470,163 | 57,996 | 73,867,694 | 533,893 | 548,652,304 |
| RHODE ISLAND | [illegible] | 253 | 254,381 | 4,710 | 5,691,773 | 40,443 | 40,314,857 |
| SOUTH CAROLINA | [illegible] | 32 | 32,309 | 764 | 747,257 | 16,402 | 11,324,397 |
| SOUTH DAKOTA | 5/66 | 0 | 0 | 7 | 7,736 | 4,642 | 2,474,684 |
| TENNESSEE | 3/63 | 177 | 205,162 | 3,830 | 4,706,739 | 46,989 | 43,561,966 |
| TEXAS | 8/66 | 0 | 0 | 2 | 6,334 | 15,359 | 11,247,803 |
| UTAH | 6/66 | 1 | 1,500 | 14 | 16,844 | 1,996 | 1,126,060 |
| VERMONT | [illegible] | 166 | 115,101 | 1,706 | 1,899,100 | 5,359 | 8,413,749 |
| VIRGINIA | [illegible] | 261 | 289,147 | 7,463 | 8,481,578 | 57,889 | 67,622,830 |
| WASHINGTON | [illegible] | 1 | 1,025 | 11 | 10,017 | 3,960 | 2,831,232 |
| WEST VIRGINIA | [illegible] | 0 | 0 | 10 | 8,705 | 3,048 | 2,049,675 |
| WISCONSIN (1) | [illegible] | 1,830 | 1,167,825 | 26,498 | 30,808,331 | 99,284 | 79,181,075 |
| WYOMING | [illegible] | 3 | 2,820 | 63 | 74,540 | 1,340 | 1,182,099 |
| UMAF | [illegible] | 286 | 291,492 | 23,230 | 20,445,247 | 441,316 | 38[illegible],864,992 |
| PUERTO RICO | [illegible] | 0 | 0 | 0 | 529 | 6,711 | 2,[illegible],614 |
| VIRGIN ISLANDS | [illegible] | 0 | 0 | 59 | 83,639 | 352 | [illegible]59,099 |

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[illegible] AS OF 2/28/74

| | Beginning of Operation | MONTH Number | VOLUME Amount | CUMULA- Number | TIVE-FY Amount | CUMULATIVE Number | SINCE INCEPTION Amount |
|---|---|---|---|---|---|---|---|
| TOTALS | | 30,803 | 34,454,085 | 382,967 | 467,984,987 | 2,852,044 | 2,952,729,995 |
| Alabama | 5/69 | 333 | 324,494 | 6,461 | 6,996,363 | 71,112 | 66,751,908 |
| Alaska | | | | | | | |
| Arizona | 12/67 | 361 | 445,757 | 4,384 | 5,866,168 | 49,059 | 43,603,471 |
| Arkansas | | 6 | 8,535 | 70 | 84,011 | 1,382 | 1,426,799 |
| California | [illegible] | 3,897 | 4,501,368 | 53,044 | 69,167,457 | 552,220 | 558,039,896 |
| Colorado | 8/67 | 809 | 1,134,761 | 10,716 | 16,406,403 | 102,982 | 124,979,325 |
| Connecticut | | 100 | 112,338 | 2,536 | 3,220,287 | 9,756 | 11,511,431 |
| Delaware | | | | 1 | 1,400 | 4 | 4,800 |
| D.C. | 8/70 | 97 | 134,068 | 1,228 | 1,875,325 | 4,916 | 6,611,598 |
| Florida | 2/69 | 932 | 1,214,158 | 12,034 | 16,775,289 | 98,089 | 112,535,578 |
| Georgia | | 6 | 5,398 | 312 | 400,939 | 2,375 | 3,085,725 |
| Hawaii | 3/67 | 39 | 45,813 | 1,443 | 1,997,008 | 12,217 | 14,288,422 |
| Idaho | 2/68 | 84 | 70,774 | 1,336 | 1,525,542 | 22,999 | 24,445,271 |
| Illinois | | 12,923 | 13,466,778 | 109,728 | 119,317,579 | 478,877 | 469,676,398 |
| Indiana | [illegible] | 1,035 | 1,284,[illegible] | 16,975 | 21,532,089 | 151,500 | 163,9[illegible] |
| Iowa | [illegible] | 563 | 529,868 | 10,200 | 12,004,337 | 93,070 | 98,[illegible] |
| Kansas | [illegible] | 402 | 403,402 | 6,669 | 8,337,192 | 56,974 | 57,576,840 |
| Kentucky | [illegible] | 521 | 635,[illegible] | 5,606 | 7,208,015 | 43,159 | 43,707,[illegible] |
| Louisiana | | 138 | 214,245 | 974 | 1,451,574 | 8,597 | 11,460,[illegible] |
| Maine | | | | | | 1 | 1,000 |
| Maryland | | 550 | 1,180,092 | 4,371 | 9,275,584 | 39,504 | 60,932,001 |
| Massachusetts | | 313 | 351,660 | 4,818 | 6,682,670 | 8,631 | 10,9[illegible],002 |
| Michigan | | 83 | 107,468 | 675 | 881,774 | 1,987 | 2,346,672 |
| Minnesota | [illegible] | 755 | 825,576 | 14,275 | 17,536,001 | 161,916 | 166,[illegible] |
| Mississippi | [illegible] | 209 | 200,395 | 3,671 | 4,427,761 | 41,095 | [illegible] |
| Missouri | [illegible] | 450 | 766,159 | 8,304 | 10,228,223 | 35,266 | [illegible] |
| Montana | [illegible] | 199 | 178,174 | 2,223 | 2,612,607 | 31,726 | 30,743,[illegible] |
| Nebraska | [illegible] | 257 | 275,509 | 4,829 | 6,161,917 | 48,266 | 51,437,[illegible] |
| Nevada | | | | | | 3 | 5,450 |
| New Hampshire | | 8 | 9,050 | 135 | 143,230 | 399 | 398,342 |
| New Jersey | [illegible] | 267 | 309,079 | 2,612 | 3,524,[illegible] | 28,599 | 27,[illegible] |
| New Mexico | [illegible] | 118 | [illegible] | 3,501 | 3,212,[illegible] | 36,270 | [illegible] |
| New York | | 821 | 1,110,375 | 8,278 | 11,015,[illegible] | 25,066 | 31,[illegible],165 |
| North Carolina | | 65 | 91,1[illegible] | 1,257 | 1,631,043 | 1,678 | 2,[illegible] |
| North Dakota | [illegible] | 339 | 289,295 | 5,316 | 5,751,[illegible] | 73,029 | 68,01[illegible] |
| Ohio | | 325 | 321,553 | 1,613 | 1,[illegible] | 7,373 | 8,[illegible] |
| Oklahoma | | 41 | 26,335 | 1,254 | 1,0[illegible] | 4,261 | 3,9[illegible] |
| Oregon | | 2 | 1,905 | 145 | 115,583 | 3,190 | 4,5[illegible] |
| Pennsylvania | | 139 | 171,354 | 1,315 | 1,767,517 | 3,047 | 3,5[illegible] |
| Rhode Island | | 145 | 130,150 | 1,608 | 1,437,263 | 2,590 | 2,259,296 |
| South Carolina | | 212 | 167,938 | 629 | 591,370 | 4,971 | 3,146,533 |
| South Dakota | [illegible] | 177 | 134,633 | 4,491 | 5,088,284 | 40,569 | 38,476,107 |
| Tennessee | [illegible] | 331 | [illegible] | 5,856 | 6,[illegible] | 17,815 | [illegible] |
| Texas | [illegible] | 1,[illegible] | 1,[illegible] | 34,353 | 41,072,[illegible] | 241,520 | [illegible] |
| Utah | [illegible] | 76 | 96,744 | 1,665 | 2,308,618 | 40,765 | 40,674,574 |
| Vermont | [illegible] | 55 | 54,237 | 834 | 1,022,893 | 11,325 | 11,467,993 |
| Virginia | [illegible] | 49 | 64,43[illegible] | 1,976 | 3,155,143 | 12,117 | 14,[illegible] |
| Washington | [illegible] | 445 | 481,509 | 7,365 | 8,938,309 | 77,539 | 78,687,272 |
| West Virginia | [illegible] | 130 | 149,360 | 3,350 | 4,256,[illegible] | 36,309 | 38,211,461 |
| Wisconsin | | 55 | 75,[illegible] | 462 | 601,292 | 14,203 | 15,631,[illegible] |
| Wyoming | [illegible] | 23 | 23,553 | 382 | 492,654 | 5,499 | 5,123,659 |
| [illegible] | | 4 | 8,522 | 25 | 75,157 | 105 | 157,031 |
| Guam | | 1 | 750 | 6 | 6,000 | 69 | 70,365 |
| Puerto Rico | [illegible] | 104 | 122,455 | 7,963 | 8,954,241 | 36,962 | 36,532,673 |
| Virgin Islands | | | | | | | |

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FEDERAL INSURED STUDENT LOAN PROGRAM - VOLUME AS OF 2/28/73

| | Date of Agr. | MONTHLY VOLUME Number | MONTHLY VOLUME Amount | CUMULATIVE-FY Number | CUMULATIVE-FY Amount | CUMULATIVE SINCE INCEPTION Number | CUMULATIVE SINCE INCEPTION Amount |
|---|---|---|---|---|---|---|---|
| Totals | | 42,254 | 9,5[illegible] | 302,4[illegible]9 | 579,011,[illegible] | 1,690,457 | 1,650,99[illegible] |
| Alabama | 5/67 | 619 | 332,074 | 11,334 | 11,561,693 | 49,575 | 45,657,36[illegible] |
| Alaska | | | | | | | |
| Arizona | 12/67 | 316 | 363,693 | 3,137 | 6,147,337 | 36,365 | 28,121,66[illegible] |
| Arkansas | | 47 | 38,[illegible] | 210 | 216,4[illegible] | 792 | 799,54[illegible] |
| California | 12/67 | 3,521 | 8,013,[illegible] | 97,997 | 103,8[illegible] | 372,780 | 363,152,4[illegible] |
| Colorado | 5/67 | 972 | 1,174,362 | 116,866 | 21,314,923 | 68,687 | 78,741,42[illegible] |
| Connecticut | | 116 | 122,835 | 1,951 | 2,345,399 | 2,508 | 4,052,6[illegible] |
| Delaware | 8/70 | - | - | 2 | 2,400 | 3 | 3,400 |
| D.C. | | 128 | 152,151 | 1,081 | 1,409,888 | 2,170 | 2,757,142 |
| Florida | 2/68 | 944 | [illegible] | 15,735 | 18,5[illegible] | 62,[illegible] | 8,105,[illegible] |
| Georgia | | 40 | 339,89[illegible] | 383 | 520,4[illegible] | 614 | 686,3[illegible] |
| Hawaii | 8/67 | 35 | 38,431 | 1,564 | 1,207,[illegible] | 8,071 | 9,649,3[illegible] |
| Idaho | 2/68 | 273 | 173,596 | 4,064 | 5,224,590 | 18,026 | 19,217,620 |
| Illinois | | 12,303 | 11,445,429 | 80,460 | 75,587,[illegible]7 | 159,825 | 149,922,053 |
| Indiana | 9/67 | 1,577 | 1,246,461 | 27,693 | 30,746,[illegible] | 96,187 | 98,942,30[illegible] |
| Iowa | 1/69 | 969 | 772,878 | 17,531 | 19,045,[illegible]77 | 61,571 | 63,514,57[illegible] |
| Kansas | 9/67 | 616 | 345,473 | 9,268 | 9,700,413 | 37,320 | 34,859,4[illegible] |
| Kentucky | 12/68 | 334 | 281,929 | 6,98[illegible] | 7,371,143 | 26,819 | 25,614,6[illegible] |
| Louisiana | | 377 | 461,958 | 1,981 | 2,508,013 | 2,706 | 3,418,451 |
| Maine | | | | | | | |
| Maryland | | 1,203 | 1,722,772 | 7,878 | 11,[illegible]06,236 | 22,973 | 32,942,24[illegible] |
| Massachusetts | | 37 | 42,5[illegible] | 196 | 211,140 | 529 | 685,19[illegible] |
| Michigan | | 28 | 31,670 | 342 | 373,[illegible]6 | 871 | 869,39[illegible] |
| Minnesota | 9/67 | 1,594 | 1,825,[illegible] | 25,605 | 28,423,979 | 115,763 | 112,620,[illegible] |
| Mississippi | 12/68 | 347 | 256,[illegible] | 6,155 | 7,191,[illegible] | 29,763 | 27,212,71[illegible] |
| Missouri | | 469 | 285,[illegible] | 7,5[illegible] | 7,381,[illegible]6 | 10,143 | 10,215,7[illegible] |
| Montana | 10/67 | 253 | 183,[illegible] | 4,417 | 4,641,[illegible]25 | 24,621 | 23,155,5[illegible] |
| Nebraska | 1/67 | 642 | 392,6[illegible] | 8,510 | 9,53[illegible] | 31,043 | 32,681,4[illegible] |
| Nevada | | | | | | | |
| New Hampshire | | 14 | 12,550 | 52 | 65,907 | 137 | 135,33[illegible] |
| New Jersey | 10/67 | 132 | 120,3[illegible] | 4,449 | 4,378,361 | 21,680 | 19,215,3[illegible] |
| New Mexico | 8/68 | 270 | 338,[illegible] | 2,204 | 8,011,[illegible] | 19,502 | 17,965,9[illegible] |
| New York | | 352 | 469,4[illegible] | 3,655 | 4,593,[illegible] | 6,777 | 8,430,4[illegible] |
| North Carolina | | | | | | | |
| North Dakota | 9/67 | 542 | 413,336 | 11,044 | 30,8[illegible] | 54,648 | 49,165,1[illegible] |
| Ohio | | 190 | 219,8[illegible] | 2,222 | 1,311,472 | 3,1[illegible] | 3,047,[illegible] |
| Oklahoma | | 34 | 28,2[illegible] | 518 | 530,4[illegible] | 1,4[illegible] | 1,403,2[illegible] |
| Oregon | | 251 | 308,690 | 1,513 | 1,792,7[illegible] | 2,03[illegible] | 2,305,53[illegible] |
| Pennsylvania | | 26 | 25,450 | 496 | 550,913 | 1,210 | 1,199,5[illegible] |
| Rhode Island | | - | - | 3 | 3,590 | 8 | 8,000 |
| South Carolina | | 282 | 189,593 | 1,442 | 874,499 | 7,02[illegible] | 1,127,37[illegible] |
| South Dakota | 3/68 | 460 | 334,755 | 6,718 | 6,493,108 | 27,252 | 24,529,51[illegible] |
| Tennessee | 10/68 | 27 | 38,3[illegible] | 1,063 | 1,148,6[illegible] | 2,390 | 2,560,67[illegible] |
| Texas | 12/68 | 3,535 | 1,319,60[illegible] | 58,755 | 55,57[illegible] | 125,939 | 126,983,0[illegible] |
| Utah | 9/67 | 312 | 255,[illegible] | 6,081 | 6,60[illegible] | 3[illegible],681 | 31,728,8[illegible] |
| Vermont | 9/67 | 71 | 39,593 | 1,6[illegible] | 1,704,[illegible] | 8,602 | 8,543,71[illegible] |
| Virginia | 9/68 | 67 | 69,237 | 1,868 | 2,305,4[illegible]6 | 7,785 | 8,520,4[illegible] |
| Washington | 11/67 | 1,338 | 1,253,535 | 14,014 | 15,306,9[illegible]8 | 47,468 | 44,372,830 |
| West Virginia | 10/67 | 324 | 300,474 | 5,753 | 9,257,959 | 25,545 | 25,901,5[illegible] |
| Wisconsin | | 418 | 475,859 | 2,358 | 2,335,35[illegible] | 11,405 | 12,239,65[illegible] |
| Wyoming | 11/67 | 68 | 55,3[illegible]2 | 1,039 | 1,258,717 | 7,93[illegible] | 4,212,35[illegible] |
| | | | | | | | |
| Canal Zone | | | | | | 35 | 39,784 |
| Guam | | 7 | 2,020 | 35 | 37,294 | 28,2[illegible] | 20,576,579 |
| Puerto Rico | 2/68 | 173 | 138,647 | 6,480 | 6,[illegible]19,5[illegible] | | |
| Virgin Islands | | | | | | | |

Mr. **Muirhead.** When we made the claim, as I did in my testimony, Mr. Shriver, that we would hope to support 2.5 million students, we were making it on the basis that we would improve our operation of the guaranteed loan program, that we would find some way to be responsive to the problems that banks have with the paperwork, that Sally Mae would be in operation so that banks who have a large amount of money invested in loans might be able to take some of that loan paper and replenish it with new capital.

Mr. **Shriver.** Is there any problem on statutory authority? Can you go as high as 12 percent?

Mr. **Muirhead.** The statutory authority at the present time says 10 percent is the top.

Mr. **Shriver.** Today some banks are getting more than 10 percent, from what I read in the paper.

Mr. **Muirhead.** Yes. I think it is fair to say, Mr. Shriver, just as when I was talking to Mr. Obey, that this whole program authorizing legislation is coming up for review this year, and it would be indeed miraculous if the provisions of the program that were applicable in 1972 turned out to be the same provisions that would be workable in 1975. I would think that they would have to review it in the light of circumstances.

### NO EMERGENCY ASSISTANCE

Mr. **Shriver.** I know you are aware of the financial troubles facing smaller private colleges. At least one such institution in my own State has closed its doors and others may follow. When an institution such as this is faced with imminent closure, is there anything that you can do in the Office of Education to provide emergency assistance?

Mr. **Muirhead.** No. We have no appropriation for that purpose. There is in the amendments of 1972 a provision for dealing with institutions that are in financial distress. We have not appeared before you in support of that particular provision of the law, one, because it was not a high priority and, two, because we are not really sure that it is a very good thing to do.

Mr. **Shriver.** Is there a provision, for instance, of that kind for medical schools?

Mr. **Miller.** Yes, there is, Mr. Shriver, but I believe that that authority expires at the end of this fiscal year, and it has been a declining authority. It started out at $20 million and went to $15 million and then to $10 million, so I think the clear intent was to phase that out.

### FORWARD FUNDING

Mr. **Shriver.** You mentioned forward funding a little while ago. What programs under your jurisdiction of higher education are forward funded?

Mr. **Muirhead.** I can give you a very straightforward answer to that question. We don't have any that are not forward funded except for the guaranteed loan program.

### SOURCES OF SCHOOLS' INCOMES

**Mr. Shriver.** A report issued in January by the National Commission on the Financing of Postsecondary Education has some figures on the sources of income for higher educational institutions of something like 21 percent from student's parents, 31 percent from State and local governments, 27 percent from the Federal Government, 9 percent from gifts and endowments, and 12 percent from other activities, about $30 billion in 1972 is the general figure. Do you have any information as to how these percentages might differ between the types of institutions, large and small, private and public?

**Mr. Muirhead.** The table you are referring to from the Postsecondary Commission, of course, was based on data from 1971 to 1972. I would expect that if a similar analysis were to be done now, that the figures would change in terms of percentage, the percentage coming from student and family support, and the percentage coming from State and local support. We can and we will try to get for the record a similar configuration of financing for postsecondary education by public and private. Obviously the very large difference between the two would be that the amount of State and local support would not appear as a large percentage of the private higher education support.

[The information follows:]

#### DATA ON FINANCING POSTSECONDARY INSTITUTIONS—PUBLIC, PRIVATE, LARGE AND SMALL

The National Commission on the Financing of Postsecondary Education did not break the financial statistics on the income of postsecondary institutions into a public-private configuration. Based on the assumption that the statistics supplied by the National Commission, as well as those of HEGIS, are accurate, we were able to arrive at a public-private breakdown which seems reliable, given the data available. Using the public-private relationships of sources of income as established by HEGIS, we were able to apply those relationships to the National Commission's data and thus determine approximate percentages for a public-private pattern.

INCOME OF POSTSECONDARY EDUCATIONAL INSTITUTIONS, PUBLIC AND PRIVATE, 1971-72

[In percent]

| | Public | Private | All institutions |
|---|---|---|---|
| State and local governments | 27.0 | 4.0 | 31 |
| Federal Government | 16.0 | 11.0 | 27 |
| Students and parents | 8.0 | 13.0 | 21 |
| Gifts and endowments | 2.5 | 6.5 | 9 |
| Auxiliary enterprises and other activities | 7.5 | 4.5 | 12 |

### STUDENT LOAN MARKETING ASSOCIATION

**Mr. Shriver.** You mentioned a little whole ago the Student Loan Marketing Association. As I recall when you testified last year, it had barely started. What is the situation now?

**Mr. Muirhead.** The Student Loan Marketing Association has really made rather substantial progress. They have been in the marketplace now and have issued their bonds, and they have been able to provide a warehousing service to lending institutions and are now on the verge of being able to purchase actual student loan paper from lending institutions. We would expect that during the upcoming college year they would move quite strongly into that area of being able to purchase student loan paper from lending institutions, be they institutions of postsecondary education or bankers.

**Mr. Shriver.** I understand several colleges have their own plans of warehousing student loans.

**Mr. Muirhead.** Yes, a number of colleges are supplementing their student loan programs in a variety of ways. A number of colleges have been giving some consideration to a loan program that would not be dependent upon paying back in equal installments the principal and the interest of the loans, but rather would say to the student borrower, "We will ask you to pay back according to your income in your working years." That type of contingency loan has been experimented with.

### BANKHEAD-JONES FUNDS

**Mr. Shriver.** I was going to ask something about the land grant colleges. You did say that the aid is marginal unless it would be for the particular institution that is the only one in the State that is getting it?

**Mr. Muirhead.** Yes, the aid of course is quite marginal, but the institutions many times point out that, marginal or not, it is serving a very specific purpose. Our rationale is that the institutions which are receiving this aid are participants in all other Federal programs, and that the influence of this relatively small grant on the institution, on their overall budget, is not very important.

I should have reported, Mr. Shriver, that in the land grant colleges that are predominantly black, and there are 18 of them in the Southern States, the program probably means more in terms of the size of their budgets than in some of the larger institutions, but we have taken steps to see that those institutions have an opportunity to participate in the developing institutions program.

**Mr. Shriver.** We, as I recall, proposed at one time in this committee that this be done over a period of 3 years, so there wouldn't be a great impact upon that one particular school by phasing it out completely. We didn't get that accomplished.

### UNIVERSITY COMMUNITY SERVICES

You are proposing immediate termination rather than phaseout of the university community services program. Why does that have less priority than others?

**Mr. Muirhead.** It has to be put into the context of what our overriding priority here is. As I indicated, more than 90 percent of our budget is directed toward serving the goal of equal education opportunity through student assistance or ways which are associated with student assistance. We have looked at this program and decided that it has been supported for a number of years, and it has done many good things, but perhaps the time has come for us to say now let us take those funds and put them into higher priority programs, and that higher priority, as I have said so many times today you must be tired hearing it, is student assistance.

Mr. **Shriver.** No, I think we need to reemphasize this point if we are going to take your position to the floor.

### CONSTRUCTION

There isn't any construction money in here, is there?

Mr. **Muirhead.** We have no construction money. Again when there was the pressing need for facilities support, this committee provided it through the Higher Education Facilities Act and, as the chairman pointed out a little earlier, we have been through that great dramatic growth in postsecondary enrollment, which increased 125 percent in not much over 10 years, but we don't need facilities with anywhere near the urgency that we did, and we don't need facilities with anywhere near the urgency that we need student assistance.

### NDEA TITLE VI

Mr. **Shriver.** My next question is to Dr. Leestma. You have two books in front of you called "Arab World."

Dr. **Leestma.** Yes, sir.

Mr. **Shriver.** What is the significance of that?

Dr. **Leestma.** Golly, I am glad you asked that question. One of the four categories of activities we fund under NDEA title VI is called research. The Congress initially, in its wisdom when it passed the law, provided research authority in that piece of legislation to conduct studies and surveys, sponsor research on more effective instructional methods, and develop specialized teaching materials and tools.

This particular project is an example of what we have done under the research authority, and it is in our judgment one of the most impressive examples of both what the program has contributed and why Federal assistance is needed.

To make a long story short, and one can't really do justice to this story in brief form, there is a very distinguished professor at the University of Wisconsin, Prof. Menahem Mansoor, who is a distinguished professor of Semitic languages and chairman of the Department of Semitic Studies there. For a long time he has been deeply concerned that more attention be given to the Arab world. But the difficulties in studying the Arab world are considerable. It is a very complex region in that it is composed of many nations, many different peoples, so many cross currents from Africa, from the Middle East, from Europe, and so many languages, it is an enormously complicated crucible of some of the world's most critical challenges and problems.

Professor Mansoor conceived the idea of developing as complete a record as possible of internationally significant events concerning the Arab world, whether occurring within or outside of Arab countries, and building a comprehensive collection of documents about these events. The period he eventually chose was from 1900 to 1967. The documents include a wide variety of official reports issued by the governments of those countries and by intergovernmental organizations, international agreements of all sorts, policy statements of national leaders, and of the legislative bodies of those countries, trade reports, oil treaties, et cetera, et cetera.

It is one of these remarkable creations in which a very complex undertaking was conceived right from the beginning, and by dint of genuine creativity, an enormous persistance, drive, and organization, Professor Mansoor carried his idea to completion despite countless obstacles.

I have here two of seven volumes. It is called "Political and Diplomatic History of the Arab World, 1900–1967: A Chronological Study." Professor Mansoor collected, identified, summarized, and indexed, and crossed indexed all the kinds of documents I cite and dozens more. Using a computer he has developed a data bank that lists over 100,000 events by subject, by key words, by dates, by country, by time, by speaker, et cetera. If you want to track, for example, one of the earlier Arab–Israeli wars, you can follow it day by day. You can see what statements President Nasser made, what the comment was from Israel, from any of the European countries concerned, et cetera. He has put this all together in a fashion that enables one to sit at a computer and quickly retrieve all kinds of data in response to a wide range of queries, or conveniently conduct many similar searches by eye in these books.

The upshot of all this is that the scholar concerned with the Middle East can for the first time, in the course of a couple of weeks get very considerable control of the documentary evidence extant and therefore can spend the overwhelming proportion of his or her time analyzing data and studying relationships, instead of spending months or years trekking from library to library all over the world trying to find out what if any documentation may exist. It is really a remarkable piece of work which greatly extends the research capability of most present and prospective scholars concerned with the Arab world.

Mr. SHRIVER. All of that was done through counterpart?

Dr. LEESTMA. Some of it may have been at one time or another, but the great bulk of the work was done in the United States with dollars. The project received support from a variety of sources over the years, including Harvard University, the University of Wisconsin, and the Department of State, but at the critical moment this program came along and permitted him to tie it all together and bring it to this fruition. The second set of volumes now at the printers is a biographical dictionary of all the personalities in the Arab world who are included in the first seven volumes. You can imagine how useful these two sets of volumes will be for the State Department, the people in Middle Eastern studies, businessmen, and people in other countries concerned with the Arab world. This first set has become in the course of a year the basic tool for research on a good many subjects in the Arab world. For the next 20 years scholars all over the world will begin their efforts at various research projects by starting with this basic research tool. It is one of those things that increases the productivity of a wide range of scholars in an area of great academic and crucial national interest.

Mr. SHRIVER. I would be remiss if I didn't ask what our investment is?

Dr. LEESTMA. Really a rather modest investment, particularly in terms of any cost-benefit analysis. I would have to check the record, but the total of our investment is something on the order of only $250,000 for the whole thing. But for this sum, NDEA title VI has helped bring into being a basic reference for scholars, businessmen, and diplomats for the next 20 years for an especially important area of the world.

Mr. SHRIVER. Thank you, Doctor. Thank you, Mr. Chairman.

Mr. FLOOD. Mr. Robinson.

Mr. ROBINSON. Thank you, Mr. Chairman.

## BASIC OPPORTUNITY GRANTS

Since we devoted most of our time this afternoon it seems to me to what you now prefer to call basic grants, I will begin with that area. I would like to ask questions in two categories. One is that on page 1 of your statement you say that a primary reason for going in this direction is to "afford choice in the selection of school in the course of study according to the individual's interest and career needs." I emphasize "interest and career needs," because it certainly has been my experience as a father, as an observer, as an educator at one point in time, and as a legislator, that at the point in time that a student makes his original decision, he really does not know what his end-product interests are going to be or what his career needs are going to be in terms of postsecondary education. I question the practicality of the basic grants with particular respect to their practical application in individual instances, because it seems to me that there is a tremendous potential waste of public funds through a direct disbursement to the student of what has become, in some circles called "walking around money" without any prior responsible guidance as to its investment.

## IMPORTANCE OF COUNSELING IN B.O.G. PROGRAM

You say that this is merely intended as a start on the individual packaging of higher education funding for each student, but isn't it going to make the student and the family make perhaps some precipitous choices without having been exposed to reliable financial aid in terms of counseling at the institutions that are involved?

Mr. MUIRHEAD. I think that is a very fair question to ask, Mr. Robinson.

Mr. ROBINSON. We now have some record, of course. Is there any justification for assuming that this might occur?

Mr. MUIRHEAD. First of all, our experience this year really will not provide a very good basis upon which to be responsive to your question, because the basic grant program did not come to life until after the students had left high school.

But the key to the success of the basic grant program—and you and I both know this—is good counseling. And we are now moving in that direction by having training sessions for high school guidance counselors, and by making the information available to the high schools before the students leave high school. And we are hopeful, Mr. Robinson, that as we take this matter up to the authorizing committee we can persuade them that we should be able to get the program under way even earlier than we are getting it under way this year. We started the program this year by getting information out to the high schools about April 1. What we really need to do is be able to get with the high schools much earlier than that so they can provide the type of counseling you and I both know is essential to the success of this program.

The other thing that I think promises well for the sucess of this program is the fact that the basic grant may be used at a very wide variety of postsecondary institutions. It is not restricted, as are many other programs, to collegiate-level institutions. It includes the whole wide range of vocational and technical and proprietary institutions as well as the collegiate institutions.

We are hopeful that this will provide an opportunity for the students to be able to take this grant to the school that best fits his needs, and hopefully it will mean they will be able to get a training program that is more in line with what their interests and talents are than if it were restricted only to support for a baccalaureate degree.

Mr. ROBINSON. But it will rely more on counseling at the high school level than it will on counseling that might be received, and is presently being received, from counselors at the postsecondary education level above high school regardless of what kind of education it is.

Mr. MUIRHEAD. I would certainly not like to leave the impression with you that it would not involve counseling at the institution at which the student is enrolled. But the important thing we are adding to this program is the involvement of the secondary school in the counseling and preparation of the student. The student will of course take his basic grant, which is a voucher actually, as you know Congressman, and then will go to the school of his choice and undoubtedly will get the benefit, and should get the benefit, of the counseling of the student financial aid officer as to how he can best meet the cost of education at that institution. But you are very right indeed in saying that it rests very heavily on the importance of counseling, as indeed all student aid programs rest on good counseling.

### UNOBLIGATED B.O.G. FUNDS

Mr. ROBINSON. Earlier questioning has already developed that approximately one-third of the money that was appropriated for this program will not be spent, and you are requesting permission to carry it forward into the next fiscal year.

Mr. MUIRHEAD. Yes, but I think I need to clarify that point for you, Congressman, so we have a full understanding of it. There are many reasons why that money hasn't been spent. I have already developed one of them at some length, the fact that the program came on stream at a date that was not conducive to effective operation.

The other important thing, Mr. Robinson, is the fact that the level of support for the program of $122 million, even if we had been able to expend the whole amount of money, would only have provided a maximum grant of about $450, and the grant on the average was only $260. Thus, in many cases the amount of the grant really was not significant enough to attract students who had already made their plans for going to school and who had by some means or other been able to get the money together. But now we are coming up with a program, largely and wholly because this committee has approved it, of $475 million where we will be going out with a rather substantial grant that will be attractive to students. So our feeling is that we can't really draw too many conclusions from our experience with the program this year.

### QUESTIONABLE SUPPORT FOR B.O.G. PROGRAM

Mr. ROBINSON. I was really citing that statistic of a supplementary problem we are going to have in advance of asking a question with regard to a further problem that we had last year in that there wasn't a single highly recognized educational organization of educators or institutions that was in strong support of this program. I still have not heard that such support exists nor have I heard from a single one of the many institutions of higher education and postsecondary education that are in my district. I am still hearing about the old programs and the desirability of continuing them.

Mr. MUIRHEAD. We would like to help you get that information. I can report to you that the American Council on Education has already gone on record in full support of the concept of basic grants. With your permission I would like to provide that type of information for the record.

[The information follows:]

### INFORMATION SHOWING SUPPORT OF BASIC GRANTS BY AMERICAN COUNCIL ON EDUCATION

On February 26, 1974, the American Council on Education's Commission on Governmental Relations met to consider its position on the President's budget request for fiscal year 1975 for postsecondary education programs. Among other decisions relating to the budget request for these programs, it was agreed to "support in principle the administration's request for $1.3 billion for basic opportunity grants to fund eligible students in all 4 years of college."

Mr. ROBINSON. Do you have knowledge of the fact that we will have any public witnesses appearing that will support the basic grant program as you have proposed it?

Mr. MUIRHEAD. We have high hopes that you will, and just judging by what we have learned from dealing with many parts of the higher education community I believe that our hopes are well founded. I think you will be hearing from public witnesses in support of the basic grants program.

Dr. Phillips here has been engaged in a variety of conferences and workshops all around the country, and he can report that there are many, many members of the higher education community who are now supporting the basic grants program.

Dr. PHILLIPS. Mr. Robinson, I think it is fair to say that the basic attitudes within the postsecondary educational community are changing. The question I think you were asking is whether they are likely to come before you in support of the particular budget strategy we have outlined here today. I think I would not have high hopes they would come for the full funding request. But I do think there is a significant movement in the direction of a more favorable attitude toward the basic grant program.

Mr. ROBINSON. I am simply pointing out that, as concerns those I represent, they have not come to me.

### PROGRAMS INVOLVING STATE ADMINISTRATION

I am one that believes in the strongest kind of cooperation between any sort of Federal and State program, and you mentioned on page 2 of your statement, the last sentence in the student assistance section:

> Continued and expanded State and private assistance and self-help opportunity are essential and must be relied upon as well.

Then we move over to page 7 and we find the statement that:

> Equally significant, however, is the fact that in being restricted by State formula and institutional applications procedures the supplemental grant program lacks an equity in determining need and freedom for the recipient to choose his or her school that the basic grant program is designed to provide.

Down at the bottom you say:

> Consequently in order to assure adequate funding for the student aid program and remain within the level of resources available we are not requesting funds for the State incentive grant program.

This to me seems to be a contradiction of sorts in that you want to run the whole thing from Washington.

Mr. MUIRHEAD. I hope we dont' leave that impression with you because I think it would be disastrous if we ran the whole thing from Washington. I think the competence to really serve higher education, to carry out the mission of higher education, that competence we don't find in Washington. It resides on the campuses.

My reason for making the statement I did about the supplemental grant program was a rather straightforward reason, that if we indeed want to reach the level of equal education opportunity in an evenhanded way so that all young people can count upon a certain level of support such as is provided by the basic grants program, we could not rely upon the supplemental grant program, which I again say has served a very important need in higher education—the program is inhibited by the fact that it is first of all distributed according to a State formula and that State formula may not be a good measure of the relative need in that State.

Second, it does not permit a student to be assured that he will get the same level of support in Virginia that he will get in Ohio. It seems to me just in terms of fairness and equity that a student should know in advance of enrollment just how much aid he can count upon regardless of what institution he chooses to attend. So much for the supplemental grant program.

Now your comment about the State incentive grants. I guess I have already indicated that was a very difficult decision for us to make because the State incentive grant program does, as you have pointed out Congressman, support, indeed enhances, the whole concept of Federal-State relations. It also provides an opportunity for Federal moneys to be matched and by that token get commitment from the States. So we are really in a very difficult position here, because when we came down to the line in making the decision as to where the limited resources would go, we had to make a tough decision—would we go with full support for basic grants or would we continue some other programs and have support levels for basic grants that were short of full funding. We came down on the side of full funding for basic grants. But we still believe that the incentive grants program is an excellent program. I guess I can't speak for what the administration will do next year, but I would hope that if the state of the economy improves somewhat this program would be quite high on the list for support because it is a program that meets the priorities of the administration.

Mr. Robinson. I would like to go more deeply into that but time simply doesn't permit.

### GUARANTEED STUDENT LOANS

I would like to move on to the student loan program. Last year you made this statement:

> We are confident that the forthcoming implementation of the student loan marketing association, "Sally Mae," will do much to increase lender participation and provide even greater numbers of students to this means of financing their education.

Of course you have covered this subject in previous testimony this afternoon, but I wonder if you have any statistical evidence with regard to the increasing number of participating institutions in this program because, again in the area which I represent, without knowing definitely, I have a feeling that they have diminished in number rather than increased.

Mr. Muirhead. You are speaking of institutions that are participating as lenders in the guaranteed student loan program.

Mr. Robinson. Yes, and also that are participating in terms of buying this paper that you mentioned.

Mr. Muirhead. I would assume that those that bought the paper would be qualified lenders.

We are privileged this afternoon to have Mr. Moore with us who is the director of that program. Could you be responsive to that, please, Jim?

Mr. Moore. I can't tell you with precision whether there are large numbers of new lending institutions in the program this year. The "Sally Mae" purchase program is just starting. If I remember correctly they are operating now at a level of around $200 million.

The overriding fact that depressed the volume this year was the incorporation of the needs test last year. This needs-test provision was substantially mediated when the President signed the amendments to the law last Thursday. Mr. Robinson, I will be glad to dig into our files and see what I can find on this matter of lender participation. [Clerk's Note: The information appears earlier on pages 529–530.]

### NATIONAL DIRECT STUDENT LOANS

Mr. ROBINSON. With respect to the comparison between the guaranteed student loan and the NDSL, why is a study necessary in order to establish the 120-day cutoff before you assume that a loan is in default, which you mentioned as being necessary in order to tie the two together. Why can't you just say it is 120 days since there doesn't appear to be any statutory reason why you can't?

Mr. MUIRHEAD. We cannot in the NDSL program make the same judgment we can in the guaranteed loan program that as of a certain time this loan is in default and, as a result of that, the guarantee will be honored and the collection of that loan then become the responsibility of the Federal Government as is the case in the guaranteed loan program.

As you know, Congressman, in the NDSL the responsibility for collecting the loan is the full responsibility of the institution. The amendments of 1972 made some little changes in that regard by saying that, first of all, institutions should be more diligent, more vigorous about collecting the loans and if need be, get collection agancies to help them to do so, and second, by permitting institutions to turn over delinquent loans to the Federal Government if the loans have been in delinquent status for 2 years or more in spite of the institution's best efforts to collect on them.

You asked the question as to why we just couldn't say 120 days. The law doesn't give us any such cutoff, but because of the questions we received from the Appropriations Committee, we feel that we have got to find some way to compare the two programs. So we have asked the institutions to tell us how many of their students are delinquent for 120 days so that we could then make that figure comparable with the default figure in the guaranteed loan program, and we expect to have a report to you within the month, and presumably you will be able to make whatever judgment you wish on that.

My report to you at this time is that we are likely to find that the default rate, in the NDSL is higher than the default rate in the guaranteed loan program.

### WORK-STUDY PROGRAM

Mr. ROBINSON. I would now like to move on to work-study.

You mentioned on page 8 of your statement when you are discussing the difference between work-study and cooperative education that work-study jobs typically are performed during out-of-class hours, which is the way I understood it to be, or during the summer. What does "during the summer" infer? Does it mean someone that stays on campus and works through the summer at a job on campus can continue to stay on the work-study payroll though not going to class at that particular time?

Mr. MUIRHEAD. I mentioned that, and in reading the statement I changed the word "summer" to "vacation" so it might include Eastertime and Christmastime as well as the summer.

Naturally, when classes are not in session, the student can devote more time to his work-study job—up to 40 hours per week. Probably in some instances the institution may hire him to work in the library during the summertime or perhaps do some work during the vacation period on campus. And he may also, Congressman Robinson, work for some other public agency and get support from the 80-percent Federal funds if that public agency is willing to pay the 20 percent.

Mr. ROBINSON. Speaking of the 80-percent Federal funds, in what proportion of students under work-study is a waiver granted?

Dr. SPEARMAN. It is granted to institutions upon request. However, institutions do not often request a waiver because institutions are aware it will reduce the number of awards they can make. So only in extreme hardship cases will institutions request a waiver of the matching requirement. I would say that fewer than 5 percent of participating institutions request waivers.

Mr. ROBINSON. Has there been any notable or reported impact with regard to jobs that were formerly available on campuses since work-study has been initiated in terms of indicating that jobs have been converted into work-study that were already there?

Mr. MUIRHEAD. I am quite sure that many institutions have utilized the college work-study program to support jobs that they formerly used their own resources to support.

Mr. ROBINSON. I would think this would not be the desirable way to use it because you want to provide added jobs and not put Federal money behind the same old jobs.

Mr. MUIRHEAD. But for a number of institutions, particularly private institutions, that are having difficult financial problems, it would seem to me quite in order for them to say we will use that money for some other purpose, and we will use the Federal money to support the college jobs. Ideally I think the point you are making is a very sound one—that the net effect of the college work-study program should be that it would provide more jobs than was the case before.

Mr. ROBINSON. But you do not have statistics. I would imagine they would be very difficult to gather.

Dr. SPEARMAN. I am not aware of any statistic that deals with the effect of displacement. However, we have received inquiries about the loss of a college work-study student during midyear from professors who do not understand the reasons why the student is obliged to give up the job. These situations usually arise because the student has earned the full amount to which he is entitled under the work-study grant. Since institutions are forbidden to over-award Federal funds, the student in this case must give up his work-study job or accept a reduction in aid from other sources. In any case, the student can't receive Federal funds in excess of need. However, I don't know of any evidence of displacement caused by work-study recipients replacing other workers.

Mr. ROBINSON. You mention that the average work-study grant in fiscal year 1975–76 will be $580 per student. What is the range of such grants?

Mr. MUIRHEAD. Unlike the situation in the SEOG and BEOG programs, there are no minimum or maximum academic year awards under the college work-study program. The limits on what a student can earn primarily relate to the minimum and maximum wages under the program and the number of hours any particular student finds it feasible to work. Until the passage of the recent amendments to the Fair Labor Standards Act, the minimum wage under the program was $1.60. Now the minimum wage is that required by the Fair Labor Standards Act, which can vary according to different circumstances. The maximum wage under the program is $3.50 an hour. We think that few financial aid officers would give a student a job under the program which has a value much below $200 or much above $1,000, considering these factors.

### LOW-INCOME STUDENTS

Mr. ROBINSON. On page 1 of your statement in that final paragraph, you mention encouraging enrollment and continued attendance of eligible disadvantaged students at postsecondary institutions. You say that these programs offer the full range of preenrollment and postenrollment counseling and other services for low-income students. What are the other services that are rendered?

Mr. MUIRHEAD. The special programs provide many services to students other than preenrollment and postenrollment counseling. I would like to list them for the record.

[The information follows:]

These services include but are not limited to:

1. Assisting students in securing admissions and adequate financial aid to continue their education;
2. Providing individualized tutoring in those academic subjects considered critical for admissions, as prerequisites for other courses, or for graduation from postsecondary schools;
3. Developing skills necessary for completion of secondary and postsecondary educational programs;
4. Referring students to public and private social agencies to remedy health or personal problems that interfere with learning;
5. Providing cultural, social, and recreational activities that increase self-esteem and confidence and enhance the development of attitudes and behavioral patterns conducive to learning;
6. Advocating for institutional changes in the delivery of services to disadvantaged students; and
7. Advocating for students in securing institutional responses to students' needs.

### BASIC OPPORTUNITY GRANTS

Mr. ROBINSON. A figure of 1,600,000 undergraduate students is mentioned as the level that will be provided grants under the basic grant program if it is fully funded at the $1,300 million mark. How many requests for such grants from qualified students do you anticipate receiving? What is meant by the statement when you say that the program will also "provide full entitlement to all undergraduates who are carrying at least half of a normal full-time load"?

**Mr. Muirhead.** We are assuming that all of the 1,600,000 students will request payment under the basic educational opportunity grant program for the 1975–76 academic year. These students represent 90 percent of the total population we expect to be eligible for basic grants.

At the funding level requested, we would be able to provide basic grant assistance to all eligible undergraduate students, both fulltime and parttime. This is, of course, the eligible student population the program was intended to serve as reflected in the Education Amendments of 1972.

As I am sure you are aware, the appropriation for both fiscal year 1973 and fiscal year 1974 were not sufficient to provide meaningful awards for this total population. Therefore, the administration proposed and the Congress passed amendments to the authorizing legislation which restricted assistance to "first-time, full-time" students in 1973–74 and first- and second-year full-time students in 1974–75.

**Mr. Robinson.** On page 4 in your request for new appropriation language in order to carry forward appropriations, you say that adjustments are likely to be very small. However, for the fiscal year just ending, this adjustment would be far from very small. What is your estimate and the reasons, therefore, that you think will be within a reasonable range?

**Mr. Muirhead.** As we have already indicated, our experience in academic year 1973–74 was atypical for three major reasons: (1) 1973–74 was the first year of the program operation; (2) the program got off to a very late start; and (3) the award levels were very low and there was limited incentive for students to apply.

Since these problems will be overcome, we expect that the impact of the program will be significantly increased in subsequent years. We have already outlined some of the major steps we have taken for the 1974–75 academic year.

Therefore, since any deficit inexpenditures in the future will be relatively small, the resulting supplemental payment—should we not be given the authority to carry over unexpended funds—will also be small.

Since the payment schedule developed for any given academic year is based on the basic grant program's estimate of total demand, it will never be totally accurate. We would, therefore, expect that a deficit or surplus of 10 percent would be reasonable in light of the ever changing patterns of student enrollment. A surplus at this level would result in an average supplemental award of about $80.

### NATIONAL DIRECT STUDENT LOANS

**Mr. Robinson.** Please provide for the record the range of national direct student loans which is mentioned on page 7 as averaging $500.

**Mr. Muirhead** The national direct student loan program has no minimum academic year award. The lower level of loan is probably $100 to $200 depending on the financial aid officer's judgment that meeting a need of that amount is crucial to a student's enrolling or continued enrollment. Instead of an annual maximum amount of loan, there are three total amounts which may not be exceeded: $10,000 for a graduate student including loans made prior to his becoming a graduate student; $5,000 for a student who has completed 2 years of a program leading to a bachelor's degree; and $2,500 for any other student. A typical maximum loan would seem to be $1,200 to $1,500 for an undergraduate student and perhaps as much as $2,000 to $3,000 for a graduate or professional student.

### TRAINING OF PUBLIC ADMINISTRATORS

Mr. ROBINSON. I have had an inquiry from educators concerned with the professional training of public administrators as to why there continues to be no request for funding for part C of title IX of the Higher Education Act (Public Law 92-318). This provision, I understand, has to do with public service fellowships, and it is contended on behalf of this program that the demand for public administrators is increasing greatly. Would you comment on this?

Mr. MUIRHEAD. We can agree, I am sure, that the quality of services to the public would benefit from improved training of public administrators at all levels of government. A major barrier to such improvement is the low level of salaries paid to public officials, particularly in State and local government. Increasing the number of qualified administrators at this time would probably only further depress these levels. In addition, I do not believe that a well-documented case for an increase in qualified persons, specifying the numbers needed by level of government and field and type of training has been made.

### VETERANS' PROGRAMS

Mr. CONTE. On March 31, the President directed the Secretary, HEW; the Director, OMB; the Secretary, DOD; and the Director, VA; to examine services being offered Vietnam veterans. How are the higher education programs being taken into account in this examination? Specifically, are you reconsidering the "no funds" request for veterans' cost of instruction programs in light of this directive?

Mr. MUIRHEAD. No, we are not. With the anticipated increase in veteran benefits and the increased thrust upon BEOGS and GSLP, the emphasis is upon providing more adequate financial support directly to veterans who are pursuing a postsecondary education.

Mr. CONTE. In general, what kind of coordination do you have with the Veterans' Administration? Specifically, how have you coordinated the veterans' cost of instruction program with the VA?

Mr. MUIRHEAD. The coordination between VA and OE on the veterans' cost-of-instruction program has been extensive. High ranking VA officials participated in the development of the regulations. VA has been well represented at all our regional workshops. And State level officers in the VA have participated in all of the State meetings of VCIP. And most significantly, the coordinator of veterans' affairs on each participating campus has been encouraged to develop strong ties with VA to aid in the resolution of student-veteran problems.

Mr. CONTE. Recruitment of Vietnam veterans is only one purpose of cost of instruction grants. Your justification ignores completely the tutorial, counseling, and advocacy services these grants have funded. Have you any systematic information on the kinds of services funded by the grants and the resources of colleges to pick them up without cost of instruction grants?

Mr. MUIRHEAD. The VCIP, in its 2 years of existence, has developed an institutional awareness of the VA sponsored programs of remediation and tutorial services. It is not our belief that extensive college resources will be needed; VA provides the veteran, and his institution, with assistance for remediation and tutorial services. The problem was one of a lack of awareness; this problem has been overcome.

Mr. CONTE. On page 11 of the statement you mention that the budget requests an 8-percent increase for cost of living for veterans receiving education benefits. What does that have to do with cost of instruction grants to institutions? Is there some sort of overall ceiling on services to veterans?

Mr. MUIRHEAD. No, there is no ceiling on services to veterans. My reference to the 8 percent cost of living increase for veterans was motivated by my wish to further demonstrate the administration's commitment to increase support provided directly to veterans rather than through institutions.

Mr. CONTE. For the record, will you provide a summary of services aimed at retention in college provided to veterans under the cost-of-instruction grants?

[The information follows:]

Services provided by the veterans' cost-of-instruction program, aimed at retaining veterans in college, include refresher and remediation programs, tutorial assistance, and counseling services. Refresher or remediation programs, with funding assistance authorized by section 1691, subchapter V, chapter 34, title 38, United States Code, are for educationally disadvantaged veterans and are designed to help them fully develop their academic and vocational potential. College and university participants in the VCIP program are also required to establish and maintain a procedure for assessing the problems, needs, and interests of veterans in the institution's normal service area and to develop a referral service in the areas of housing, employment, health, vocational and technical training and financial assistance. Because the program places strong emphasis on peer group counseling, institutions are carrying out active outreach and counseling activities using funds available under federally assisted work study programs. The required fulltime Office of Veterans' Affairs and the provision of services using Vietnam-era veterans to help veterans attain their educational objectives has proved remarkedly successful in the first year of operation.

Educational benefits available to all students are also available to veterans. They run the gamut from MEDIHC in the Health Department, to MDT which is jointly sponsored by Labor and the Office of Education, to various programs of student financial aid and student special services in OE.

Veterans are eligible for participation in the national direct student loan program with special consideration as "independent students." They may also avail themselves of college work-study and supplementary educational opportunity grants if they have demonstrated need. The basic educational opportunity grants and guaranteed insured loans are also available as a resource. The special veterans upwardbound projects have provided remediation services for veterans on many campuses.

With the anticipated increase in VA benefits, it is expected that the majority of veterans' educational needs will be met by the innumerable existing programs for which they are eligible.

Mr. FLOOD. Thank you, gentlemen.

## Higher Education

## Amounts Available for Obligation

| | 1974 | 1975 |
|---|---|---|
| Appropriation (annual)........................ | $1,889,414,000 | $2,110,023,000 |
| Appropriation (permanent).................... | 2,700,000 | --- |
| Amount withheld (P.L. 93-192)................ | -29,167,000 | --- |
| Subtotal, adjusted appropriations........ | 1,862,947,000 | 2,110,023,000 |
| Unobligated balance, start of year........... | 192,403,167 | 14,304,739 |
| Unobligated balance, end of year............. | -14,304,739 | -376,232 |
| Unobligated balance, lapsing................. | -36 | --- |
| Total, obligations....................... | 2,041,045,392 | 2,123,951,507 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $2,041,045,393 |
| 1975 Estimated obligations | 2,123,951,507 |
| Net change | +82,906,114 |

| | Base | Change from Base |
|---|---|---|
| Increases: | | |
| A. Built-in: | | |
| 1. Subsidized insured loans | $ 311,572,000 | $ +10,579,710 |
| B. Program: | | |
| 1. Student assistance | 1,410,028,986 | +157,161,014 |
| Total, increases | | +167,740,724 |
| Decreases: | | |
| A. Program: | | |
| 1. Institutional assistance | 242,057,406 | -83,028,609 |
| 2. Personnel development | 7,056,000 | -1,806,000 |
| Total, decreases | | -84,834,609 |
| Total, net change | | +82,906,115 |

## Explanation of Changes

Increases:

A. Built-in:

1. Subsidized insured loans: Growth of the subsidized insured loan program is expected to continue in 1975 as the Student Loan Marketing Association increases its operations and administrative and other actions stimulate lending activity.

B. Program:

1. Student assistance: The appropriation request shifts emphasis from institutional assistance to student assistance as the more effective means of insuring equal educational opportunity. The $157,161,014 program change in student assistance is the net of increasing basic grants to full funding and decreasing or eliminating other student aid programs. The $1,300,000,000 requested to fully fund Basic Educational Opportunity grants is $705,692,868 more than the estimated 1974 obligation level and $825,000,000 more than the 1974 budget authority. No funds are requested for Supplemental Grants or new capital contribution to Direct Loan funds. The detail of increases and decreases is shown on the obligations by activity exhibit. The proposed shift in funding of student aid programs is designed to increase concentration of funds on neediest students and to increase the ability of the student to choose the education which best suits his needs in the institution of his choice.

Decreases:

A. Program:

1. Institutional assistance: Institutional assistance is decreased by $83,028,609, as a consequence of proposing a shift to student assistance designed to further equal education and opportunity. For this reason, no funds are requested for University Community Services, Aid to Land-Grant Colleges, State Postsecondary Commissions, or Veterans' Cost of Instruction. In the case of Veterans' Cost of Instruction, four additional points are pertinent: first, the high point for returning Vietnam-era veterans has passed; second, now that recruitment programs have been established, veterans can be helped more by student assistance programs than by institutional assistance; third, qualifications for participants in the program required by the legislation result in rewarding those institutions that have done the least for veterans in the past; fourth, the budget proposes to increase direct benefits to veterans by more liberal veteran educational allowances and by providing more equity in treating these allowances in determining the eligibility and level of award under the Basic Opportunity Grants program.

As indicated on the obligations by activity exhibit, all of the institutional assistance programs show obligation decreases from the 1974 level. In the case of Strengthening Developing Institutions, however, a substantial carryover of unobligated funds from 1973 to 1974 accounts for the decrease from 1974 to 1975. The request for new funds for that program is $20,000,000 more than the 1974 appropriation.

2. College personnel development: The College Teacher Fellowships program is limited in 1974 and 1975 to the amounts necessary to enable returning veterans to resume fellowships interrupted by military service. The need is expected to be smaller by $1,806,000 in 1975 than in 1974.

Obligations by Activity

| Page Ref. | | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 17 | Student assistance: | | | |
| 18 | (a) Grants and work-study: | | | |
| 18 | (1) Basic opportunity grants | $594,307,132 | $1,300,000,000 | $+705,692,868 A |
| 22 | (2) Supplemental opportunity grants | 211,362,487 | --- | -211,362,487 B |
| 24 | (3) Work-study | 271,098,906 | 250,000,000 | - 21,098,906 C |
| 26 | (b) Cooperative education | 10,750,000 | 10,750,000 | --- |
| 29 | (c) Subsidized insured loans: | | | |
| 29 | (1) Interest on insured loans | 310,000,000 | 320,516,637 | + 10,516,637 D |
| 29 | (2) Reserve fund advances | 1,572,000 | 1,635,073 | + 63,073 D |
| 33 | (d) Direct loans: | | | |
| 33 | (1) Federal capital contributions | 289,510,461 | --- | -289,510,461 B |
| 33 | (2) Loans to institutions | 4,000,000 | --- | - 4,000,000 E |
| 33 | (3) Teacher cancellations | 10,000,000 | 6,440,000 | - 3,560,000 E |
| 37 | (e) Incentive grants for State scholarships | 19,000,000 | --- | - 19,000,000 F |
| | Subtotal, Student assistance | 1,721,600,986 | 1,889,341,710 | +167,740,724 |
| 38 | Special programs for the disadvantaged | 70,331,000 | 70,331,000 | --- |
| 41 | Institutional assistance: | | | |
| 42 | (a) Strengthening developing institutions | 135,492,000 | 120,000,000 | - 15,492,000 G |
| 44 | (b) Construction: | | | |
| 44 | (1) Subsidized loans | 29,029,000 | 29,028,797 | - 203 |
| 47 | (c) Language training and area studies: | | | |
| 47 | (1) NDEA VI program | 22,895,152 | 8,640,000 | - 14,255,152 H |
| 49 | (2) Fulbright-Hays fellowships | 1,363,754 | 1,360,000 | - 3,754 H |
| 52 | (d) University community services | 14,327,500 | --- | - 14,327,500 I |
| 54 | (e) Aid to land-grant colleges: | | | |
| 54 | (1) Annual appropriation | 9,500,000 | --- | - 9,500,000 I |
| 54 | (2) Permanent appropriation (Second Morrill Act) | 2,700,000 | --- | - 2,700,000 I |
| 55 | (f) State postsecondary education commission | 3,000,000 | --- | - 3,000,000 I |
| 56 | (g) Veterans' cost of instruction | 23,750,000 | --- | - 23,750,000 I |
| | Subtotal, Institutional assistance | 242,057,406 | 159,028,797 | - 83,028,609 |

Obligations by Activity

| Page Ref. | | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 58 | College personnel development: | | | |
| 59 | (a) College teacher fellowships | $ 5,806,000 | $ 4,000,000 | $ -1,806,000 J/ |
| 61 | (b) Fellowships for disadvantaged................. | 750,000 | 750,000 | --- |
| 62 | (c) Ellender fellowships....... | 500,000 | 500,000 | --- |
| | Subtotal, College personnel development..... | 7,056,000 | 5,250,000 | -1,806,000 |
| | Total obligations.................. | 2,041,045,392 | 2,123,951,507 | +82,906,115 |

Explanation of Changes

(A) It is estimated that the increase to $1,300,000,000 would provide for full funding of the Basic Grants program in academic year 1975-76. The 1974 figure includes $119,307,132 appropriated in 1973 for academic year 1973-74. The requested 1975 appropriation, therefore would be $825,000,000 more than the $475,000,000 made available in 1974.

(B) In order to concentrate funds on the forms of student aid such as the Basic Grant program which promote student choice, no funds are requested for Supplemental Opportunity Grants or for new capital contributions to Direct Loan funds. Basic grants will be supplemented by work-study jobs, guaranteed loans, direct loans financed by repayments, and by non-Federal assistance.

(C) The $250,000,000 requested for Work-Study is the same as the amount requested for 1974. With Basic Grants fully funded, it is expected to be adequate to insure that no student is denied access to a postsecondary education because of lack of finances.

(D) Interest on insured loans provides for an increase in lending from $1,050,000,000 to $1,255,000,000 and for paying interest on prior year loans. Amount shown for reserve fund advances has been carried forward from prior year appropriations.

(E) The 1974 figures include amounts brought forward from the 1973 "Urgent Supplemental."

(F) In order to concentrate resources on Basic Grants, no appropriation is requested for Incentive Grants for State scholarships.

(G) The $120,000,000 for 1975 represents a $20,000,000 increase above the 1974 appropriation, but a $15,000,000 decrease below 1974 obligations, because $35,500,000 for the advanced development program was carried forward from 1973 to 1974. The $20,000,000 increase in budget authority would be for the advanced development program.

(H) The 1974 base includes $11,565,906 carried forward from the 1973 second supplemental. This increases the $2,693,000 decrease in appropriations to a $14,258,906 decrease in obligations.

(I) No funds are requested for these programs because of the priority placed on direct assistance to students. Legislation will be submitted to eliminate the Aid to Land Grant Colleges programs. The budget assumes that veterans's need for new special recruitment programs has declined and that existing efforts will meet the basic need for services provided by the veterans' cost-of-instruction program. Emphasis in 1975 will be on providing aid directly to veterans by increasing student aid. The budget proposes to increase direct benefits to veterans by more liberal veteran educational allowances and by providing more equity in treating these allowances in determining the eligibility and level of award under the Basic Opportunity Grants program.

(J) The college teacher fellowship program has been limited to amounts necessary to enable returning veterans to resume fellowships interrupted by military service. The need is expected to be smaller in 1975.

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Other services | $ 20,207,000 | $ 11,500,000 | $ - 8,707,000 |
| Investments and loans | 7,082,000 | 1,400,000 | - 5,682,000 |
| Grants, subsidies, and contributions | 2,010,756,392 | 2,108,051,507 | + 97,295,115 |
| Insurance claims and indemnities | 3,000,000 | 3,000,000 | --- |
| Total obligations by object | 2,041,045,392 | 2,123,951,507 | + 82,906,115 |

## Authorizing Legislation

| Legislation | 1975 Authorized | 1975 Appropriation requested |
|---|---|---|
| Higher Education Act: | | |
| Title I -- Community services and continuing education (university community services) | $ 50,000,000 | $ --- |
| Title III -- Strengthening developing institutions | 120,000,000 | 120,000,000 |
| Title IV -- Student assistance: | | |
| Part A-1 -- Basic opportunity grants | Indefinite | 1,300,000,000 |
| Part A-2 -- Supplemental educational opportunity grants: | | |
| Initial year awards | 200,000,000 | --- |
| Continuation awards | Indefinite | --- |
| Part A-3 -- State student incentives | | |
| Initial year awards | 50,000,000 | --- |
| Continuation awards | Indefinite | --- |
| Part A-4 -- Special programs for students from disadvantaged backgrounds | 100,000,000 | 70,331,000 |
| Part A-5 -- Sec. 419 Payments to institutions of higher education | 1,000,000,000[1] | --- |
| -- Sec. 420 Veterans' cost-of-instruction payments to institutions of higher education | Indefinite | --- |
| Part B -- Subsidized insured loans | | |
| Interest benefits and special allowance[2] | Indefinite | 315,000,000 |
| -- Direct loans under the insured loan program (Sec. 433) | 1,000,000 | --- |
| Part C -- Sec. 441 Work-study program | 420,000,000 | 250,000,000 |
| -- Sec. 447 Work-study for community services learning program | 50,000,000 | --- |
| Part D -- Cooperative education program: Planning, establishing, expanding, and carrying out (451(a) | 10,000,000 | 10,000,000 |
| -- Training, demonstration, or research (451(b) | 750,000 | 750,000 |
| Part E -- National direct student loans: | | |
| Capital contribution | 400,000,000 | --- |
| Cancellation of loans for certain public service | Indefinite | 6,440,000 |
| Title VII -- Construction of academic facilities: | | |
| Part A -- Grants for construction of undergraduate facilities | 300,000,000 | --- |
| Part B -- Grants for construction of graduate academic facilities | 80,000,000 | --- |
| Part C -- Sec. 745 Annual interest grants | 79,250,000 | 22,252,000 |
| Part D -- Assistance in major disaster areas | Indefinite | --- |
| Title VIII -- Networks for knowledge | 15,000,000 | --- |
| Title IX -- Graduate programs: | | |
| Part A -- Grants to institutions of higher education | 50,000,000 | --- |
| Part B -- Graduate fellowships for careers in postsecondary education | Indefinite[3] | 4,000,000 |

| | 1975 | |
|---|---|---|
| | Authorized | Appropriation requested |
| Part C -- Public service fellowships..... | Indefinite 4/ | $ --- |
| Part D -- Fellowships for other purposes: | | |
| Sec 961(a)(1) Mining and mineral and mineral fuel conservation.............. | Indefinite 5/ | --- |
| Sec 961(a)(2) Disadvantaged............ | 1,000,000 5/ | 750,000 |
| Part F -- General assistance for graduate schools covered under Title IV-A-5 (sec. 419) above........................... | 1/ | --- |
| Title XI -- Law school clinical experience program................................ | 7,500,000 | --- |
| Title XII -- General provisions, Sec. 1203, Comprehensive Statewide planning......... | Indefinite | --- |
| Emergency Insured Student Loan Act: | | |
| Incentive payments on insured student loans. | Indefinite | 6/ |
| National Defense Education Act: | | |
| Title VI -- Language training and area studies--Centers, fellowships, and research | 75,000,000 | 8,640,000 |
| Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays)...................... | Indefinite | 1,360,000 |
| Public Law 92-506 | | |
| Allen J. Ellender Fellowships............... | 500,000 | 500,000 |

1/ Applied to this section together with Part F of Title IX.
2/ Special allowance is authorized by the Emergency Insured Student Loan Act of 1969.
3/ Such sums as necessary to fund 7,500 new fellowships plus continuation.
4/ Such sums as are necessary for 500 fellowships.
5/ Such sums as may be necessary for 500 new fellowships and continuations, but no more than $1,000,000 under the special provision for disadvantaged.
6/ Included with HEA IV-B, above.

## Higher Education

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $ 511,640,000 | $ 498,890,000 | $ 498,890,000 | $ 554,600,000 |
| 1966 | 977,908,000 | 902,108,000 | 912,108,000 | 971,231,000 |
| 1967 | 1,073,494,000 | 1,164,307,000 | 1,151,507,000 | 1,156,307,000 |
| 1968 | 1,153,650,000 | 1,132,150,000 | 1,132,150,000 | 929,255,000 |
| 1969 | 823,020,000 | 6,920,000 | 786,652,000 | 778,620,000 |
| 1970 | 798,284,000 | 867,833,000 | 1,009,074,000 | 831,734,000 |
| 1971 | 837,725,000 | 880,180,000 | 1,014,970,000 | 941,180,000 |
| 1972 | 1,892,754,000 | 1,193,344,000 | 1,782,174,000 | 1,409,354,000 |
| 1973 | 1,618,572,000 | 1,098,502,000 | 1,752,432,000 | 1,682,972,000 |
| 1973 Proposed Rescission | -44,300,000 | --- | --- | --- |
| 1974 | 1,747,914,000 | 1,808,914,000 | 2 925,914,000 | 1,860,247,000 |
| 1975 | 2,110,023,000 | | | |

NOTE: All figures are comparable with the 1975 estimate. For fiscal year 1973, the Budget Estimate combines the first 1973 supplemental request of $499,070,000 and the proposed Budget Amendment of $1,119,502,000. The January budget submission for fiscal year 1973, has not been used since it was superseded by the proposed Amendments and Rescissions. Since it did not consider the first supplemental request, the House allowance represents House action only on the urgent supplemental (P.L. 93-25) and the proposed Amendments. The Senate allowance combines Senate action on all three supplementals. The Senate allowance for strengthening developing institutions on the first supplemental has been adjusted since it would duplicate an allowance for the same program on a subsequent appropriation bill.

The 1974 appropriation shown reflects the 5 percent reduction. Figures for earlier years include appropriate amounts requested and appropriated under "Higher Education Facilities Construction," "Further Endowment of Colleges of Agriculture and the Mechanic Arts," and "Education in Foreign Language and World Affairs."

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| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Student assistance: | | | |
| (a) Grants and work-study: | | | |
| (1) Basic opportunity grants | $ 475,000,000 | $1,300,000,000 | $+825,000,000 |
| (2) Supplemental opportunity grants | 210,300,000 | --- | -210,300,000 |
| (3) Work-study | 270,200,000 | 250,000,000 | - 20,200,000 |
| (b) Cooperative education | 10,750,000 | 10,750,000 | --- |
| (c) Subsidized insured loans: | | | |
| (1) Interest on insured loans | 310,000,000 | 315,000,000 | + 5,000,000 |
| (d) Direct loans: | | | |
| (1) Federal capital contributions | 286,000,000 | --- | -286,000,000 |
| (2) Loans to institutions | 2,000,000 | --- | - 2,000,000 |
| (3) Teacher cancellations | 5,000,000 | 6,440,000 | + 1,440,000 |
| (e) Incentive grants for State scholarships | 19,000,000 | --- | - 19,000,000 |
| Subtotal, Student assistance | 1,588,250,000 | 1,882,190,000 | +293,940,000 |
| 2. Special programs for the disadvantaged | 70,331,000 | 70,331,000 | --- |
| 3. Institutional assistance: | | | |
| (a) Strengthening developing institutions | 99,992,000 | 120,000,000 | + 20,008,000 |
| (b) Construction: | | | |
| (1) Subsidized loans | 31,425,000 | 22,252,000 | - 9,173,000 |
| (2) Grants | --- | --- | --- |
| (c) Language training and area studies: | | | |
| (1) NDEA VI program | 11,333,000 | 8,640,000 | - 2,693,000 |
| (2) Fulbright-Hays fellowships | 1,360,000 | 1,360,000 | --- |
| (d) University community services | 14,250,000 | --- | - 14,250,000 |
| (e) Aid to land-grant colleges: | | | |
| (1) Annual appropriation | 9,500,000 | --- | - 9,500,000 |
| (2) Permanent appropriation (Second Morrill Act) | 2,700,000 | --- | - 2,700,000 |
| (f) State postsecondary education commission | 3,000,000 | --- | - 3,000,000 |
| (g) Veterans' cost of instruction | 23,750,000 | --- | - 23,750,000 |
| Subtotal, Institutional assistance | 197,310,000 | 152,252,000 | - 45,058,000 |
| 4. College personnel development: | | | |
| (a) College teacher fellowships | 5,806,000 | 4,000,000 | - 1,806,000 |
| (b) Fellowships for disadvantaged | 750,000 | 750,000 | --- |
| (c) Ellender fellowships | 500,000 | 500,000 | --- |
| Subtotal college personnel development | 7,056,000 | 5,250,000 | - 1,806,000 |
| Total | 1,862,947,000 | 2,110,023,000 | +247,076,000 |
| Obligations | (2,041,045,392) | (2,123,951,507) | (+82,906,115) |

## Higher Education

### General Statement

The $2,110,023,000 requested in 1975 is $247,076,000 above the 1974 appropriation as adjusted for the 5% reduction authorized by the 1974 Appropriation Act. An increase of $825,000,000 for the basic Educational Opportunity Grants program accounts for most of the growth in this appropriation. This increase will permit full funding of the basic grants program for the first time since its inception in 1973. The proposed funding strategy reflects the determination to bring postsecondary education within the reach of all and to concentrate federal higher education funds on those programs which provide support directly to students, thus increasing their freedom to choose their school and course of study. For institutional assistance, the only increase requested is the $20,000,000 for strengthening developing institutions. That increase, $120,000,000, is requested to permit these institutions to develop rapidly so that they can provide high-quality education to the disadvantaged and minority group students who make up such a large part of their enrollment.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student Assistance: | | | |
| (a) Grants and work-study: | | | |
| (1) Basic opportunity grants... | $ 475,000,000 | $1,300,000,000 | $+825,000,000 |
| (Obligations)........... | (594,307,132) | (1,300,000,000) | (+705,692,868) |
| (2) Supplemental opportunity grants.................. | 210,300,000 | --- | -210,300,000 |
| (Obligations)........... | (211,362,487) | (---) | (-211,362,487) |
| (3) Work-study................. | 270,200,000 | 250,000,000 | -20,200,000 |
| (Obligations)........... | (271,098,906) | (250,000,000) | (-21,098,906) |
| (b) Cooperative education.......... | 10,750,000 | 10,750,000 | --- |
| (c) Subsidized insured loans: | | | |
| (1) Interest on insured loans.. | 310,000,000 | 315,000,000 | +5,000,000 |
| (Obligations)........... | (310,000,000) | (320,516,637) | (+10,516,637) |
| (2) Reserve fund advances...... | --- | --- | --- |
| (Obligations)........... | (1,572,000) | (1,635,073) | (+63,073) |
| (d) Direct loans: | | | |
| (1) Federal capital contributions.................. | 286,000,000 | --- | -286,000,000 |
| (Obligations)........... | (289,510,461) | (---) | (-289,510,461) |
| (2) Loans to institutions...... | 2,000,000 | --- | -2,000,000 |
| (Obligations)........... | (4,000,000) | (---) | (-4,000,000) |
| (3) Teacher cancellations...... | 5,000,000 | 6,440,000 | +1,440,000 |
| (Obligations)........... | (10,000,000) | (6,440,000) | (-3,560,000) |
| (e) Incentive grants for State scholarships................ | 19,000,000 | --- | -19,000,000 |
| Total...................... | 1,588,250,000 | 1,882,190,000 | +293,940,000 |
| (Obligations)........... | (1,721,600,986) | (1,889,341,710) | (+167,740,724) |

## Narrative

Nearly 90% of the 1975 budget request for Higher Education relates to student assistance, with the bulk of the funds going to the basic opportunity grant program. The amount requested will permit full funding for this program which will entitle each eligible student to a grant of $1,400 less the amount that he and his family are expected to contribute to his education, but not to exceed one-half his cost. The remaining half of the student's cost of education will be met by funds provided by the insured loan program, the college work-study program, State, institutional, private or personal funds. The appropriation request for Student Assistance concentrates funds in the basic opportunity grant and insured loan programs which provide aid directly to the student and is thus designed to allow the student to choose to attend an institution on the basis of his academic interests and career needs rather than on an institution's ability to provide him with financial aid.

No funds are being requested for incentive grants for State scholarships, the supplemental educational opportunity grants program or for Federal capital contributions for the national direct student loan program in order to permit concentration on those forms of student aid which maximize student choice. In regard to the direct loan program, it should be pointed out that by the end of 1975, the existing revolving funds in institutions will contain $2.8 billion and repayments will permit these institutions to make loans to students amounting to $165,000,000 without any further infusion of Federal dollars.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (a) Grants and work-study: | | | |
| (1) Basic educational opportunity grants: | | | |
| New awards | $475,000,000 | $1,300,000,000 | $+825,000,000 |
| Number | 1,000,000 | 1,600,000 | +600,000 |
| (Obligations) | (594,307,132) | (1,300,000,000) | (+705,692,868) |

## Narrative

### Program Purpose

To help qualified students finance their postsecondary education, Title IV, subpart A-1 of the amended Higher Education Act provides grants to students at collegiate, postsecondary vocational, technical, trade and proprietary institutions who are carrying at least half of a normal full-time load. The grants are not available for graduate study but may extend to five years of undergraduate work under special circumstances specified by the Act. At full funding, the program provides a grant of $1,400 less expected family contribution, but not to exceed one-half the cost of attendance. The law provides a reduction formula for awards when the program is less than fully funded.

### Plans for fiscal year 1975

For 1975, $1,300,000,000 is requested for full funding of this program. In 1973, special legislation restricted awards to first year, full-time students. In 1974, special appropriation language restricted grants to first and second year full-time students. Even with those restrictions on eligibility, it was necessary to reduce grants below full "entitlement." It is estimated that $1,300,000,000 will fully fund the program; that is, it will provide full entitlement grants to all undergraduate postsecondary students who are carrying at least half of a normal full-time load as authorized by the basic law. At full funding, the minimum grant would be $200; the maximum would be $1,400. It is estimated that the $1,288,500,000 planned for program grants would provide awards averaging $805 to 1,600,000 students. It should be recognized that the several elements entering into an estimate of full funding cannot be determined precisely in advance. Those elements include the following: (a) the family contribution schedules, (b) the number of potential eligibles who actually apply, and, (c) the mix of attendance costs.

Special language is proposed to waive the provision of the law that requires appropriation of specified amounts for supplemental grants and for direct loans as a pre-condition to paying basic opportunity grants.

Of the $1,300,000,000 total, $11,500,000 is earmarked for administrative contracts. The main items are for processing applications and for disbursement of funds. Important but smaller contracts include those for gathering and processing data, and for training student financial aid officers.

A provision is being considered by the Congress which, within limits, would permit adjustments of funds between fiscal years. This provision would assure that students would receive the level of grants specified in the payment schedule if in a certain fiscal year funds are not sufficient to make this level of awards. If this situation should occur, the deficit could be paid from the subsequent fiscal year's appropriation. Similarly, if there are any unexpended funds in one fiscal year, these funds can be added to the subsequent fiscal year's appropriation. The 1975 request includes special appropriation language to provide this authority.

## Accomplishments in fiscal years 1973/1974

Of the $122,100,000 appropriated for the Basic Grant Program in fiscal year 1973, $11,500,000 was set aside for administrative expenses. The remaining $110,600,000 is expected to provide grants averaging $260 to an estimated 425,000 students during academic year 1973-74. These grants range from a minimum of $50 (as specified by law when the program is less than fully funded) to a maximum of $452 depending on the student's expected family contribution and his cost of education, and are restricted to full-time students who began their postsecondary education after July 1, 1973.

In fiscal year 1974, $475,000,000 is expected to provide grants averaging $475 to an estimated 1,000,000 students during academic year 1974-75. These grants will range from a minimum of $50 to a maximum of approximately $800, depending on the student's expected family contribution and his cost of education. Participation in the program is restricted to full-time students who enrolled in postsecondary education after April 1, 1973. It is anticipated that administrative contracts, during 1974, can be financed by funds brought forward from 1973, leaving the full $475,000,000 available for program grants.

## SUPPLEMENTAL FACT SHEET

### Basic Educational Opportunity Grants

| | FY 1973 | FY 1974 | FY 1975 |
|---|---|---|---|
| Universe of need 1/..................... | 425,000 | 1,000,000 | 1,600,000 |
| Students served......................... | 425,000 | 1,000,000 | 1,600,000 |
| Maximum award........................... | $452 | $800 | $1,400 |
| Average award........................... | $260 | $475 | $805 |

1/ Total need is defined as the number of eligible students under special legislation (1973) and special appropriation language (1974) applicable to the funds.

### Legislative requirements

The law limits payments, specifies how grants are to be adjusted to appropriation at less than full funding, and requires that the Commissioner submit a schedule of expected family contribution to Congress.

A. Statutory formula for grant size: When the family contribution schedule is accepted, and interpreted for a student, a grant size is determined by application of a statutory formula in the authorizing legislation:

(1) At full funding: the program provides a grant of $1,400 less expected family contribution, but not to exceed one-half the cost of attendance.

(2) At less than full funding: grants are to be adjusted to available funds by the following formula:

(a) If $1,400 minus expected parental contribution is:

| | |
|---|---|
| more than $1,000, | pay 75% of the amount |
| $801 to $1,000, | pay 70% of the amount |
| $601 to $800, | pay 65% of the amount |
| -0- to $600, | pay 50% of the amount |

No grant, however, shall be more than one-half of the "need" (cost minus parental contribution), unless available funds are 75 percent (but less than 100%) of the amount needed for full funding, in which case no grant shall be more than 60 percent of "need".

(b) The authorizing legislation provides that if available funds exceed the amount needed to pay grants computed by the above reduction formula, the excess will be paid in proportion to the difference between the amount found by the above formula and the amount that would have been paid at full funding.

(c) If available funds are less than needed to pay grants computed by the reduction formula, then grants are prorated down to the amount available.

(d) At full funding, no grants at less than $200 will be paid; at less than full funding, the minimum grant is $50.

(3) The law provides that social security benefits paid to or on account of a student because he is a student and half of veteran's educational benefits will be counted as the effective income of the student.

6. Family contribution schedule: The law requires the Commissioner to submit to Congress, by the first of February, a schedule indicating amounts families in given financial circumstances will be expected to contribute toward the student's educational expenses. Congress is to react by the first of May, and, if Congress disapproves the schedule, the Commissioner must resubmit a schedule within 15 days. The family contribution schedule, together with rules governing allowable costs, are important determinants of the number of participants and size of an individual's grant.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (a) Grants and work-study: | | | |
| (2) Supplemental educational opportunity grants: | | | |
| Initial year grants 1/........ | $100,000,000 | --- | $-100,000,000 |
| Continuing year grants........ | 110,300,000 | --- | -110,300,000 |
| Total.................. | 210,300,000 | --- | -210,300,000 |
| (Obligations).......... | (211,362,487) | (---) | (-211,362,487) |

1/ These are first year awards for the students, not for recipient institutions.

## Narrative

### Program Purpose

Under this program, Federal grants provide financial assistance to academically qualified high school graduates of exceptional financial need to enable them to attend college. The grants are made directly to institutions of higher education, which select students for the awards. Students may receive grants for up to $1,500 per year. However, every grant must be matched by the institution from any public or private source under its control. Graduate students are not eligible for support under this program.

The appropriation for a given fiscal year is obligated to the institutions during that fiscal year to enable them to make payments to students during the following fiscal year. The amount paid to a student under this program may not exceed one half of the total amount of financial aid made available to him by his institution.

The supplemental educational opportunity grants program (Title IV, Part A, Subpart 2 of the Higher Education Act of 1965) was established by the Education Amendments of 1972 (P.L. 92-318) by amending the former educational opportunity grants program (EOG).

Allotments to States for initial year awards are based on the number of full-time higher education students in a State compared with the total such enrollment in the U.S. Allocations to institutions within a State are made on the basis of approved institutional applications. For continuation awards, the amount is based on need.

### Plans for Fiscal Year 1975

No funds are requested for supplemental opportunity grants in 1975. The available resources are concentrated on the basic educational opportunity grant program proposed for full funding for the first time in academic year 1975-76.

### Accomplishments for Fiscal Years 1973/1974

The 1973 appropriation of $210,300,000 was used to provide funds to 2,900 institutions to make it possible for them to provide Supplemental Grants to an anticipated 304,000 students in fiscal year 1974.

The 1974 appropriation of $210,300,000 will be obligated to approximately 3,350 institutions during fiscal year 1974 to enable them to make Supplemental Grants to an anticipated 304,000 student s in fiscal year 1974.

## SUPPLEMENTAL FACT SHEET

### Supplemental Educational Opportunity Grants

| Supplemental Educational Opportunity Grants | Academic Year 1973-74 | | Academic Year 1974-75 | | Academic Year 1975-76 | |
|---|---|---|---|---|---|---|
| | Students | Amount | Students | Amount | Students | Amount |
| Initial-year grants.. | 304,000 | $204,175,000 | 160,000 | $ 97,087,000 | --- | --- |
| Administrative expenses.......... | --- | 6,125,000 | --- | 2,913,000 | --- | --- |
| Continuation grants.. | --- | --- | 144,000 | 107,087,000 | --- | --- |
| Administrative expenses.......... | --- | --- | --- | 3,213,000 | --- | --- |
| Total program... | 304,000 | 210,300,000 | 304,000 | 210,300,000 | --- | --- |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (a) Grants and work-study: | | | |
| (3) Work-study................. | $270,200,000 | $250,000,000 | $-20,200,000 |
| (Obligations).............. | (271,098,906) | (250,000,000) | (-21,098,906) |

## Narrative

### Program Purpose

To help students earn a part of the cost of their postsecondary education, Title IV-C of the Higher Education Act authorizes grants to institutions for partial reimbursement for wages paid to students working part-time on or off campus in public or nonprofit organizations. Federal funds pay 80 percent of the students' wages. The remainder is paid by the institution, employer, or some other donor.

Funds are awarded and administered under an agreement between the Commissioner and each eligible institution of higher education, proprietary institution or area vocational-technical school. The institution applies for funds it expects to require for its students who are in need of earnings to pursue their course of study. The applications are reviewed by a Regional Panel composed of practicing financial aid officers and Federal financial aid staff members. Allotments are distributed among the States, territories and the District of Columbia in accordance with legislative formulae. These funds in turn are distributed among the institutions within a State by formula based on the Regional Panel's recommendation. This program is forward-funded.

### Plans for Fiscal Year 1975

The funds requested for fiscal year 1975 will provide for student employment which will occur during fiscal year 1976. It is anticipated that Basic Grants and Guaranteed Loans will be sufficiently available at that time to minimize the need for other forms of Federal financial aid for students. However, since Basic Grants are limited to paying no more than half of a student's cost of education and since some students refuse to borrow, there is a place for a work program of limited size.

The funds which are requested are adequate to provide employment for 520,000 students earning an average of $580 each.

### Accomplishments for Fiscal Years 1973-74

The appropriation for each of fiscal years 1973 and 1974 was $270,200,000. Grants were made to nearly 2,700 institutions from the 1973 appropriation during the fiscal year. Those grants are being expended by the institutions during fiscal year 1974. The 1974 appropriation will be obligated to a projected 3,300 institutions during the spring of 1974 and will be used by them to pay the Federal share of student earnings from eligible employment which occurs during academic year 1974-75.

The appropriation of $270,200,000 for each year is adequate to provide employment for 560,000 students earning an average of $580 each.

## SUPPLEMENTAL FACT SHEET

### College Work-Study

| | Academic Year 1973-74 Estimate | Academic Year 1974-75 Estimate | Academic Year 1975-76 Estimate |
|---|---|---|---|
| Gross compensation................ | $ 325,540,000 | $ 325,540,000 | $ 301,205,000 |
| Federal share of compensation...... | 260,430,000 | 260,430,000 | 240,964,000 |
| Administrative expense paid to institutions.................... | 9,770,000 | 9,770,000 | 9,036,000 |
| Total Federal funds................ | $ 270,200,000 | $ 270,200,000 | $ 250,000,000 |
| Number of students................ | 560,000 | 560,000 | 520,000 |
| Annual average earnings............ | $580 | $580 | $580 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (b) Cooperative education: | | | |
| New Awards | $ 1,750,000 | $ 2,950,000 | +$1,200,000 |
| Number | 50 | 80 | +30 |
| Competing continuing awards | 9,000,000 | 7,800,000 | - 1,200,000 |
| Number | 300 | 260 | -40 |
| Total | 10,750,000 | 10,750,000 | --- |
| Number | 350 | 340 | -10 |

## Narrative

### Program Purpose

To help higher education institutions plan, establish, expand or carry out cooperative education programs, the Commissioner of Education is authorized by Title IV-D of the Higher Education Act to award grants for programs developed by the institutions in cooperation with business and industry. The programs alternate periods of full-time study and full-time public and private employment. This not only gives students work experience related to their academic or occupational objectives, as far as practicable, but affords students the opportunity to earn funds for continuing and completing their education. The full $10,000,000 authorized for this purpose is requested in fiscal year 1975, as is the $750,000 authorized for training, demonstration, or research grants, under this Title.

Institutions submit proposals which are initially reviewed to determine if eligibility requirements established by the Commissioner are met. If they are, the proposal is reviewed and evaluated by a panel of consultants drawn from the Nation's academic community, business, industry and government. Final funding decisions rest with the Office of Education.

New awards are grants to institutions, organizations, agencies, or business entities that may or may not have submitted proposals under Title IV-D previously, but that are for the first time being funded under Title IV-D. Competing, continuing awards are those grants to institutions that have been funded one and/or two times under Title IV-D. All awards made under this title are competing.

Federal funds do not pay student salaries. Students are paid by employers. An institution may receive grants for up to three years to carry out their proposal.

### Plans for fiscal year 1975

A budget request of $10,750,000 will maintain the program in the academic year 1975-76 at the level of the previous two years. Since approximately 84 institutions funded each year since the beginning of the program will no longer be eligible for grants, 80 new applicants will receive awards to administer new and continuing programs, to train personnel for these programs, and to conduct research that will make a significant contribution to the development of cooperative education programs.

Accomplishments for fiscal years 1973/74

In fiscal year 1973, the program was funded for the first time at the authorized level of $10,750,000, an increase of $9,050,000 over the 1972 level of $1,700,000. Of the 648 proposals received, 355 were awarded grants including 277 first time recipients. The substantially increased appropriation for the first time permitted funding of the newly authorized cooperative education research and training programs. Of the $750,000 appropriated for research and training, $170,000 was used for research and $580,000 for training.

(a) Little research has been performed in the area of cooperative education. In response to this need, $170,000 supported five research awards that addressed some of the problems considered critical in the administration of such programs: establishing guidelines for institutions in planning and implementing programs, determining performance standards for students while in employment, establishing regional or national job banks, developing model programs for the several kinds and types of institutions.

(b) The increased appropriation accentuated the need for training in this area since the substantial number of institutions establishing new programs need qualified personnel to administer them. Twelve training programs were funded for $580,000. Projects demonstrating or exploring innovative methods in the administration of cooperative education programs were given special consideration.

It is estimated that the $10,000,000 of 1973 funds for planning, implementing or expanding programs enabled recipient institutions to offer cooperative education options to between 250,000 and 300,000 enrolled students.

The $10,750,000 fiscal year 1974 appropriation will maintain program operations at the 1973 level with distribution of awards for research, training, and administration remaining approximately the same. Assuming continued funding of most 1973 recipients, few institutions will enter the program for the first time this year. Some 200 previous recipients of planning grants will be encouraged to implement cooperative education programs as part of their regular curriculum and thus enable more students to early identify career interests and determine career ladders.

## SUPPLEMENTAL FACT SHEET

## Cooperative Education Program

### COMPARISON OF FISCAL YEARS 1970 - 1975

| | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|
| Funds Appropriated and Obligated | $1,540,000 | $ 1,600,000 | $ 1,700,000 | $10,750,000 | $10,750,000 | $10,750,000 |
| Number of Proposals Submitted | 206 | 344 | 291 | 648 | 650 | 700 |
| Total of Funds Requested by Applicants | $8,530,000 | $12,300,000 | $10,658,000 | $26,284,811 | $30,000,000 | $35,000,000 |
| Number of Grants Awarded | 74 | 91 | 84 | 355 | 350 | 340 |
| Average Amount of Grant | $ 20,810 | $ 17,582 | $ 20,238 | $ 30,238 | $ 30,714 | $ 31,618 |
| Geographical Distribution of Grantees | 30 States & District of Columbia | 39 States, District of Columbia & Puerto Rico | 34 States, District of Columbia, Puerto Rico | 48 States, District of Columbia, Puerto Rico, & Virgin Islands | 50 States, District of Columbia, Puerto Rico, & Virgin Islands | 50 States District of Columbia Puerto Rico & Virgin Islands |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (c) Subsidized insured loans: | | | |
| Interest......................... | $222,000,000 | $225,000,000 1/ | $+3,000,000 |
| Special allowance................ | 85,000,000 | 87,000,000 | +2,000,000 |
| Death and disability............. | 3,000,000 | 3,000,000 | --- |
| Total........................... | 310,000,000 | 315,000,000 1/ | +5,000,000 |
| Number of New loans.......... | 890,000 | 979,000 | +89,000 |
| (Obligations)................ | (310,000,000) | (320,516,637) | (+10,516,637) |

1/ Plus carry-over estimated at $5,516,637.

## Narrative

To help students finance a part of their cost of education, Title IV-B of the Higher Education Act authorizes a program of guaranteed and subsidized loans. The Federal government pays interest on behalf of students while they are in school, and during a maximum 12-month grace period, on loans eligible for such subsidies. Eligibility is determined by a uniform financial means test administered by the school. The program also provides for guaranteed but unsubsidized loans so that students who are not eligible for a subsidized loan, may, nevertheless, spread the cost of their education over several years. These loans are called "loans of convenience." In addition to interest benefits, the Federal government pays a special allowance to lenders. The allowance, authorized by the Emergency Insured Student Loan Act of 1969, varies with money market conditions and the lenders' outstanding balance of loans made after August 1, 1969; but it cannot exceed 3 per cent of that balance. In case of the borrowers' death or disability, the Federal government pays the full outstanding principal and interest on loans made after December 15, 1968. Claims for defaulted loans are paid from the Student Loan Insurance Funds and, therefore, are not included in amounts shown above.

## Plans for Fiscal Year 1975

It is estimated that 979,000 loans amounting to $1,255,000,000 will be guaranteed in 1975. For these loans plus prior year loans, it is estimated that the $315,000,000 in new funds, in addition to $5,516,637 expected to be brought forward from 1974, will be obligated for interest benefits, special allowance and death and disability payments. Interest benefits will apply to loans amounting to more than $3.6 billion, and special allowance to lenders on loans amounting to $5.0 billion.

## Accomplishments for Fiscal Years 1973/1974

The $245,000,000, 1973 appropriation paid interest benefits on prior year loans plus 1,088,286 new loans amounting to $1,198,523,248. During the year, headquarters and regional personnel processed 49,000 lender billings, conducted 500 on-site examinations of schools and lenders, published new regulations regarding eligibility for subsidized loans, and distributed a million forms to 20,000 lenders and 8,200 schools. Obligations amounted to $239,483,363, leaving $5,516,637 unobligated on June 30, 1973.

The $310,000,000 appropriated for 1974 is expected to pay interest benefits on loans amounting to $3.5 billion including 890,000 new loans valued at over $1,050,000,000. The appropriation is expected, also, to cover special allowance payments on loan balances amounting to $4.5 billion.

On-site reviews of interest benefit and special allowance billings were increased during the year and alternative methods of verification were studied.

## Supplemental Fact Sheet

## Guaranteed Student Loan Program

### Subsidized Insured Loans

| | Fiscal Year 1973 | | Fiscal Year 1974 | | Fiscal Year 1975 | |
|---|---|---|---|---|---|---|
| | Number (000) | Amount (Millions) | Number (000) | Amount (Millions) | Number (000) | Amount (Millions) |
| **Cumulative Loan Volume** | | | | | | |
| Start of year | 4,941 | $4,634 | 6,029 | $5,832 | 6,919 | $6,882 |
| Current year | 1,088 | 1,198 | 890 | 1,050 | 979 | 1,255 |
| End of year | 6,029 | 5,832 | 6,919 | 6,882 | 7,898 | 8,137 |
| **Estimated Status** | | | | | | |
| Cumulative Repayments, Defaults & Writeoffs | | 1,028 | | 1,702 | | 2,576 |
| Cumulative Loans Outstanding | | 4,804 | | 5,180 | | 5,561 |
| In Repayment Status | | 1,297 | | 1,705 | | 1,982 |
| In School or Grace Period | | 3,507 | | 3,475 | | 3,579 |
| Percent of Outstanding In School | | 73% | | 67% | | 64% |
| Yearly Conversions | | 892 | | 1,081 | | 1,152 |
| Cumulative Conversions (Matured Paper) | | 2,325 | | 3,407 | | 4,558 |
| **Interest Benefits, Special Allowance and Death and Disability payments** | | | | | | |
| Appropriations | | $245,000,000 | | $310,000,000 | | $315,000,000 |
| Obligations | | 239,483,363 | | 310,000,000 | | 320,516,637 |
| Breakdown of Obligations | | | | | | |
| Interest Benefits | | $203,320,436 | | $222,000,000 | | $230,516,637 |
| on new loans | | (41,900,000) | | (31,300,000) | | (37,300,000) |
| on prior year loans | | (161,420,436) | | (190,700,000) | | (193,216,637) |
| Special allowance | | 33,162,927 | | 85,000,000 | | 87,000,000 |
| Death and disability | | 3,000,000 | | 3,000,000 | | 3,000,000 |

**Limits of Assistance**: Loans may not exceed $2,500 per academic year and the total aggregate loan outstanding may not exceed $7,500 for undergraduate students and $10,000 for graduate or professional students, including amounts borrowed at the under-graduate level.

Lenders: There are more than 19,000 lenders in the program. Banks, savings and loan associations, credit unions, pension funds, insurance companies and similar institutions subject to examination and supervision by the State or Federal government are eligible to become lenders under this program. Eligible schools and State agencies may also qualify as lenders. Loans are made or denied at the discretion of the lender.

Eligible Educational Institutions: Approximately 4,300 institutions of higher education (including nursing schools), both in the United States and overseas, are now eligible under the provisions of the Act. In addition, there are also approximately 3,900 eligible vocational, technical, business, and trade schools, including proprietary as well as public and nonprofit private institutions.

Death and Disability Payments: The Commissioner of Education pays the total amount owed by an eligible borrower who dies or becomes permanently and totally disabled. This is applicable for both loans guaranteed by a State or nonprofit private agency or insured by the Commissioner.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (d) Direct loans: | | | |
| (1) Federal capital contributions | $286,000,000 | --- | -$286,000,000 |
| (2) Loans to institutions........ | 2,000,000 | --- | - 2,000,000 |
| (3) Teacher cancellations........ | 5,000,000 | $6,440,000 | + 1,440,000 |
| (Obligations).............. | (303,510,461) | (6,440,000) | (-297,070,461) |

## Narrative

### Program Purpose

The purpose of the program, as authorized by Title IV-E of the Higher Education Act, is to provide long-term, low-interest loans to financially needy students in institutions of higher education to enable them to pursue their courses of study at such institutions. All or a portion of the loan to a student may be cancelled in consideration of subsequent service in certain kinds of teaching or subsequent military service in a combat zone. The program is forward funded. Capital contributions are distributed among States in accordance with a statutory formula. Within a State's allotment, awards to schools are based on recommendations of panels that review the institutions' requests. Under an agreement between the Commissioner of Education and the eligible institution, a revolving student loan fund is created at the institution, with 90 percent Federal Capital Contribution and 10 percent Institutional Capital Contribution. Loans bear 3 percent interest, beginning 9 months after student ceases at least half-time attendance at an eligible institution.

### Plans for fiscal year 1975

No new Federal capital contributions are requested for 1975. Capital now in revolving funds at participating institutions is estimated at $2,800,000,000. If due dilligence is exercised in loan collection this amount of capital should provide an annual loan level of $200,000,000 within a few years. The net amount expected to be available from collections during academic year 1975-76 is $165,000,000.

It is expected that the guaranteed student loan program, as the result of administrative and legislative changes and the operation of The Student Loan Marketing Association, will provide students adequate access to student loans. Additionally, full funding has been requested for the basic educational opportunity grants program. These two factors in combination eliminate the need for further augmentation of the National Direct Student Loan Fund at the institutions.

At an average student loan of $500, which is expected to be adequate under the conditions which will prevail during fiscal year 1976, the estimated net available collections of $165,000,000 will provide loans to 330,000 students.

Since no funds are requested for capital contributions, none will be needed for loans to institutions to help schools meet matching requirements on such contributions.

The increase of $1,440,000 requested for teacher/military cancellations reflects the statutory change which provides for 100 percent reimbursement to institutions for cancellations granted on loans made after June 30, 1972. On earlier loans, the amount paid to the institutions for such cancellations is only the institutions' share of the cancelled loans (that is, 10 percent). In future years the amount of payments made on account of teacher/military cancellations can be expected to increase as an increasingly larger percentage of the cancelled loans come to be those made after June 30, 1972.

Accomplishments for fiscal years 1973/1974

During 1973 the National Direct Student Loan Program was shifted from current-year to forward funding. Of the $548,400,000 appropriated for capital contributions, $262,400,000 was applied to academic year 1972-73 and $286,000,000 was applied to 1973-74. Counting carryover into 1973 of $23,600,000 in 1972 funds, the total level of new Federal capital contributions made available to the institutions for their use during fiscal year 1973 was $286,000,000, the same as the amount available for such use during fiscal year 1974. The total level of loans to students during fiscal year 1974 is estimated at nearly $465,000,000. This level of lending will provide loans averaging $690 to 674,000 students in 2,639 institutions of higher education.

The 1974 appropriation of $286,000,000 for Federal capital contributions will be obligated during fiscal year 1974 to an estimated 2,800 institutions of higher education to enable them to draw funds during academic year 1974-75 for the purpose of establishing or augmenting their revolving student loan Funds.

Counting this new infusion of Federal capital, the institutional matching share, and the net funds available from collections, the total amount of funds available to the institutions for making loans to student during academic year 1974-75 is expected to be $470,725,000. At an average loan of $690 that dollar volume will provide assistance to 682,000 students. As indicated by the supplemental fact sheet, institutions are allowed to take 3% of the loan volume out of their revolving funds for administrative expenses.

## SUPPLEMENTAL FACT SHEET

### Direct Loans

| Federal capital | Academic Year 1973-74 | Academic Year 1974-75 | Academic Year 1975-76 |
|---|---|---|---|
| Federal capital contributions | $286,000,000 | $286,000,000 | -0- |
| Institutional capital contributions | 32,847,000 | 32,847,000 | -0- |
| New Collections1/ | 150,000,000 | 170,000,000 | $170,000,000 |
| Collections brought forward1/ | 40,000,000 | 30,000,000 | 34,000,000 |
| Subtotal | $508,847,000 | $518,847,000 | $204,000,000 |
| Collections carried forward to following year1/ | -30,000,000 | -34,000,000 | -34,000,000 |
| Administration (3% of loan volume) | -13,947,000 | -14,122,000 | -4,951,000 |
| Total loans | $464,900,000 | $470,725,000 | $165,049,000 |
| Number of loans (students) | 674,000 | 682,000 | 330,000 |
| Average loan | $690 | $690 | $500 |
| Number of Institutions | 2,639 | 2,800 | 2,000 |
| Loans to institutions2/ | | | |
| Amount | $2,000,000 | --- | --- |
| Average annual loan | $20,000 | --- | --- |
| Number of institutions | 88 | --- | --- |
| Number of loans | 170 | --- | --- |
| Cancellations | | | |
| Total amounts | $50,000,000 | $60,000,000 | 4/ |
| Number of students | 285,000 | 300,000 | 4/ |
| Federal payments (for prior year)3/ | $5,000,000 | $6,440,000 | 4/ |

1/ The net amount available from collections is further reduced by the 3 percent withdrawal for administrative expenses (shown).

2/ Loans to institutions are made from current-year appropriations after the amount of the new Federal capital contribution which the institution will receive is known.

3/ The appropriation for a given fiscal year is obligated during that fiscal year to make payments to institutions for cancellations reported on the fiscal-operations report submitted as of the end of the previous fiscal year.

4/ Relates to the fiscal year 1976 budget.

## SUPPLEMENTAL FACT SHEET (Continued)

## Direct Loans

### Breakdown of New vs Continuing Grants

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| National Direct Student Loans | | | |
| (1) Federal Capital Contributions | | | |
| (a) New starts: Dollars | $ 22,000,000 | --- | -$ 22,000,000 |
| Institutions | 450 | --- | -450 |
| (b) Continuations: Dollars | 264,000,000 | --- | - 264,000,000 |
| Institutions | 2650 | | -2650 |
| (c) Total: Dollars | $286,000,000 | --- | -$286,000,000 |
| Institutions | 3100 | | -3100 |
| (2) Loans to Institutions | | | |
| (a) New starts: Dollars | $ 190,000 | --- | $ 190,000 |
| Institutions | 17 | | -17 |
| (b) Continuations: Dollars | 1,810,000 | --- | - 1,810,000 |
| Institutions | 71 | | -71 |
| (c) Total: Dollars | $ 2,000,000 | --- | -$ 2,000,000 |
| Institutions | 88 | | -88 |
| (3) Teacher/military cancellations | | | |
| (a) New starts: Dollars | --- | --- | --- |
| Institutions | --- | --- | --- |
| (b) Continuations: Dollars | $ 5,000,000 | 6,440,000 | +$ 1,440,000 |
| Institutions | 1600 | 1800 | +200 |
| (c) Total: Dollars | $ 5,000,000 | $6,440,000 | +$ 1,440,000 |
| Institutions | 1600 | | |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Student assistance: | | | |
| (a) Incentive grants for State scholarships: | | | |
| New awards .................. | $19,000,000 | --- | $-19,000,000 |
| Number ..................... | 35 | --- | -35 |

## Narrative

### Program Purpose

The purpose of this program, as authorized by Section 415 of the Higher Education Act, is to make incentive grants available to the States to stimulate them to provide grants to eligible students in attendance at institutions of higher education.

Incentive grants are made available to States under an allotment formula based on the numbers of students in attendance at institutions of postsecondary education within each of the States as compared to national attendance figures. The maximum permissible student grant is $750 (Federal portion). Grants must be matched on a 1:1 basis from State scholarship funds, up to a maximum of $1500 per student per academic year, based on full-time attendance (prorated in cases of half-time attendance). In order to qualify for Federal funds, States must also continue to spend in excess of a previously-established base level of effort for student grants. Funds which remain unallotted (e.g., in cases where no eligible matching program has been developed by a State or States) shall be reallotted by the Commissioner to those States which demonstrate remaining need for such funds to expand or develop qualifying State scholarship or grant programs.

### Plans for Fiscal Year 1975

In order that available resources may be concentrated on the basic grants program, college work study and guaranteed student loans, no funds are requested for incentive grants in fiscal year 1975.

### Accomplishments for Fiscal Year 1973/1974

Funds were not appropriated for this program in fiscal year 1973.

Incentive grants totalling $19,000,000 will be awarded to approximately 35 States having eligible matching scholarship or grant programs in fiscal year 1974. These funds will result in new scholarship or grant awards by these States to approximately 76,000 students in school year 1974-75, averaging $500 (Federal plus State matching funds) per student assisted.

| | 1974<br>Base | 1975<br>Estimate | Increase or<br>Decrease |
|---|---|---|---|
| Special programs for the disadvantaged | $70,331,000 | $70,331,000 | -- |
| (a) New awards.................... | $ 4,035,000 | $ 4,035,000 | -- |
| Number.................... | 49 | 49 | -- |
| (b) Non-competing continuing awards | $60,037,000 | $60,037,000 | -- |
| Number.................... | 729 | 729 | -- |
| (c) Competing Continuing awards.... | $ 6,259,000 | $ 6,259,000 | -- |
| Number.................... | 76 | 76 | -- |
| Total number awards... | 854 | 854 | -- |

## Narrative

### Program Purpose

Title IV-A, Subpart 4, of the Higher Education Act authorizes support for programs to encourage and assist financially and culturally needy youth to seek postsecondary education and to succeed therein. The Commissioner of Education may award grants to or enter into contracts with institutions of higher education, combinations of institutions of higher education, public and private agencies, organizations (including professional and scholarly associations), and in exceptional cases, secondary schools, including secondary vocational schools. Funding selections are made by the regional staff and approved by the Regional Director.

### Plans for fiscal year 1975 (academic year 1975-76)

The $70,331,000 requested for FY 1975, the same level as fiscal year 1974, will serve approximately 268,000 students, or about seven percent of the low-income youth aged 14-21 reported by Census for 1972. The activities supported are designed to close the gap in postsecondary education for the low-income population.

To continue to meet program challenges, improved program reporting and analysis will be stressed and the result reflected in revised training courses for staff and program officers. In addition, support for the special services programs is being requested under a single budget activity. Formerly funds were requested separately for the talent search, upward bound, the special services programs, and including educational opportunity centers. This change will increase program flexibility and provide better coordinated and improved services for students.

By academic year 1975-76 talent search and upward bound will have completed the special thrust of recruiting, counseling and enrolling veterans, which was begun with a $5,000,000 supplemental appropriation in 1972. Veterans placed through this effort will continue to be eligible for the benefits of the postsecondary special services program. Emphasis on career education for all low-income young people and service to groups with special needs (American Indians, Spanish surnamed) will be maintained in all four programs.

### Accomplishments for fiscal years 1973/1974

Since the programs are one year forward funded, the fiscal year 1973 appropriation will support operations in academic year 1973-74 and the fiscal year 1974 appropriation will support program operations during academic year 1974-75. Firm data on accomplishments with fiscal year 1973 funds will not be tabulated until the year closes on June 30, 1974. It is estimated, however, the 252,000 students are being served, during the current academic year, by these programs: 150,000 in talent search, 28,000 in upward bound, and 74,000 in special services. Emphasis is on career education and on serving veterans, Spanish-surnamed and American Indians.

The $3,000,000 increase in the 1974 appropriation, compared with 1973, will provide funds for the educational opportunity centers. That change will permit the number of students served to rise to about 268,000.

More detailed information is available on results of the 1972 appropriation (academic year 1972-73). In that year:

(a) Talent search provided services to 125,000 clients: placing 25,963 in postsecondary education; returning 13,399 dropouts to secondary or postsecondary education, and retaining 10,970 potential dropouts in school.

(b) Upward bound graduated 8,000 high school seniors in 1972 and about 78% planned postsecondary enrollment.

(c) Special services for disadvantaged students retained about 71 percent of the postsecondary students served. In addition, 13 percent of those previously aided were able to remain in postsecondary education without further aid from the program, 4 percent graduated and 2 percent transferred to other institutions.

## SUPPLEMENTAL FACT SHEET

### Special Programs for the Disadvantaged

| | Universe of Need |
|---|---|
| Low income 14-21 (1972) | 3,984,000 |
| Physically handicapped in postsecondary education | unknown |
| Number with cultural need | unknown |
| Total universe | 3,984,000 plus |

| | |
|---|---|
| Fiscal Year 1975 budget request | $70,331,000 |
| Estimated students to be served | 268,000 |
| Percent of known need | 6.7% |
| Estimated average cost per student | $ 262 |
| Estimated projects | 854 |
| Average cost per project | $ 82,355 |
| New awards | 49 |
| Non-competing continuing awards | 729 |
| Competing continuing awards | 76 |
| Total awards | 854 |

Comparison of Educational Attainment of Total Population with Low Income, 1972 Persons Aged 14-21 1/

| | 14-21 Population | Low Income |
|---|---|---|
| No. years completed | 0.3% | 0.5% |
| 1-5 years completed | 0.4% | 1.4% |
| 6-8 years completed | 23.1% | 32.0% |
| 1-3 high school years completed | 41.3% | 41.4% |
| 4 years high school completed | 22.7% | 16.0% |
| College (1 year or more) | 12.2% | 8.7% |
| Total | 100.0% | 100.0% |

Accomplishments in Academic Year 1972-73 (Fiscal Year 1972 Funds) 2/

| | |
|---|---|
| 32,223 | placed in postsecondary education, studies not yet begun |
| 46,625 | began postsecondary studies first time |
| 13,399 | dropouts returned to secondary or postsecondary education |
| 10,970 | potential dropouts encouraged to remain in school |
| 43,400 | retained in program, retained postsecondary level |
| 6,944 | left program, making satisfactory postsecondary progress |
| 2,147 | left program, graduated postsecondary institution |
| 1,288 | left program, transferred to other postsecondary institution |
| 156,996 | Total |

1/ Percentages derived from data in Table 13, Characteristics of the Low Income Population 1972, Current Population Reports Series P-60, No. 91, December 1973.

2/ These accomplishments reflect the first full year of regional funding and monitoring. In view of increased costs of operating these programs, a note of caution should be introduced in making projections from these numbers.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional Assistance: | | | |
| (a) Developing institutions.... | $ 99,992,000 | $ 120,000,000 | $ + 20,008,000 |
| (Obligations)............ | (135,492,000) | (120,000,000) | (- 15,492,000) |
| (b) Construction: | | | |
| (1) Subsidized loans..... | 31,425,000 | 22,252,000 | - 9,173,000 |
| (Obligations)...... | ( 29,029,000) | ( 29,028,797) | (- 203) |
| (2) Grants............... | --- | --- | --- |
| (c) Language training and area studies: | | | |
| (1) NDEA VI program...... | 11,333,000 | 8,640,000 | - 2,693,000 |
| (Obligations)...... | ( 22,895,152) | ( 8,640,000) | (- 14,255,152) |
| (2) Fulbright-Hayes fellowships............... | 1,360,000 | 1,360,000 | --- |
| (Obligations)...... | ( 1,363,754) | ( 1,360,000) | (- 3,754) |
| (d) University community services.................. | 14,250,000 | --- | - 14,250,000 |
| (Obligations)........... | ( 14,327,500) | ( --- | (- 14,327,500) |
| (e) Land-grant colleges: | | | |
| (1) Annual appropriation. | 9,500,000 | --- | - 9,500,000 |
| (2) Permanent appropriation (Second Morrill Act................. | 2,700,000 | --- | - 2,700,000 |
| (f) State postsecondary education commission................ | 3,000,000 | --- | - 3,000,000 |
| (g) Veterans' cost of instruction............... | 23,750,000 | --- | - 23,750,000 |
| Total................ | $ 197,310,000 | $ 152,252,000 | $ - 45,058,000 |
| (Obligations)........ | (242,057,406) | (159,028,797 | (- 83,028,609) |

## Narrative

The request for Institutional Assistance represents a reduction of $45,058,000 below the 1974 appropriation. This reduction reflects the decision to concentrate most funds in the Student Assistance Programs. However, the commitment to improve educational opportunity for the disadvantaged and minority group students has resulted in an increase of $20 million being requested for Strengthening Developing Institutions most of whose enrollment comes from these two groups of students. The increased funds, which would bring the appropriation up to the full amount authorized, will be used to expand support for the Advanced Institutional Development concept. This effort is aimed at accelerating the move of the stronger developing institutions to fully developed status by providing them large grants to be expended over a three to five year period in a highly structured program.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional assistance: | | | |
| (a) Strengthening developing institutions: | | | |
| Basic institutional development: | | | |
| New awards.................. | $ 6,498,990 | $ 3,000,000 | $ -3,498,990 |
| Number................... | 30 | 30 | --- |
| Competing continuing awards. | $ 45,493,010 | $ 49,000,000 | $ +3,506,990 |
| Number.................... | 210 | 160 | -50 |
| Subtotal............. | $ 51,992,000 | $ 52,000,000 | $ +8,000 |
| Number............. | 240 | 190 | -50 |
| Advanced institutional development: | | | |
| New awards................. | $ 48,000,000 | $ 68,000,000 | $+20,000,000 |
| Number.................... | 32 | 43 | +11 |
| Total amount.......... | 99,992,000 | 120,000,000 | +20,008,000 |
| (Obligations)......... | (135,492,000) | (120,000,000) | (-15,492,000) |
| Total awards......... | 272 | 233 | -39 |

## Narrative

### Program Purpose

Title III of the Higher Education Act of 1965 is designed to improve the services and quality of education offered by schools which possess limited, but credible, capability to contribute to the educational resources of the country. The Basic portion of this program awards annual grants for improvement of curriculum, faculty, administration, and student services. The Advanced institutional development program awards multi-year (3-5) grants to promote innovative projects and special purpose programs, to assist the attainment of financial self-sufficiency, and to accelerate development among relatively highly developed colleges. Institutions may participate either as direct grantees or as members of a consortium. Grants are awarded competitively to applicants on the basis of realistic long-range plans for development. Applications are reviewed by a group of professional consultants, drawn from the Nation's academic community, who are experts in their knowledge of the problems and needs of the developing institutions which Title III is designed to serve. FY 1975 funds will be used in the 1975-76 school or academic year.

### Plans for fiscal year 1975

Basic program - The $52,000,000 requested for the Basic program will provide grants for academic year 1975-76 to 190 institutions: 30 new participants and 160 previous grantees. A small number of schools will receive slightly larger grants to develop comprehensive planning capabilities in order to facilitate later transition into the Advanced program. These colleges will be selected on the basis of demonstrating substantial progress by use of their previous grants. The number of junior colleges receiving grants will probably increase since many will have met one of the program's eligibility requirements of being in existence for a minimum of five years.

Advanced program - The $68,000,000 requested for the Advanced program, an increase of $20,000,000, will provide grants to 43 institutions. Review will be made of institutions which received awards during fiscal year 1973 to ensure that each participant receives sufficient monies to fully assist its development. Average awards will be $1.4 million for two-year schools and $2.7 million for four-year schools. Reports of participating institutions will be reviewed and site visits will be undertaken to ensure that Advanced grantees are adhering to their approved development plans.

Accomplishments for fiscal years 1973/1974

Basic program - The $52,000,000 appropriated in fiscal year 1974 will provide grants to 240 institutions: 30 new participants and 210 previous grantees. Approximately 30 schools will receive slightly larger grants to develop comprehensive planning capabilities to facilitate later transition into the Advanced program. The training of teachers in developing institutions will be allocated $2,835,000. It is expected that there will be an increase in the number of junior colleges receiving grants.

The $51,850,000 appropriated in fiscal year 1973 provided grants to 235 institutions: 27 new participants and 208 previous grantees. The training of teachers in developing institutions was allocated $3,231,900.

Advanced program - The $48,000,000 appropriated in fiscal year 1974 provided grants to 32 institutions. Twenty-four percent of the appropriation ($11,520,000) is designated for two-year colleges.

The $35,500,000 appropriated in fiscal year 1973 provided grants to 28 institutions. These schools are currently refining their proposals and operational plans which must receive approval prior to release of funds for program implementation.

| | 1974<br>Base | 1975<br>Estimate | Increase or<br>Decrease |
|---|---|---|---|
| Institutional assistance: | | | |
| (b) Construction: | | | |
| (1) Subsidized loans 1/.. | $31,425,000 | $22,252,000 | $-9,173,000 |
| (Obligations)...... | (29,029,000) | ( 29,028,797) | ( - 203) |
| Number of prior year loans 1/...... | 723 | 723 | --- |

1/ No funds requested for new loans in 1974 or 1975

## Narrative

### Program Purpose

To help institutions of higher education to utilize private capital for construction, Title VII-C, section 745 of the Higher Education Act authorizes annual interest subsidy grants to make the cost to the institutions the same as a three percent loan.

### Plans for fiscal year 1975

No funds are requested for new starts in 1975. This program and earlier higher education facilities construction programs have largely accomplished their purpose. Within the Higher Education Appropriation, Student Assistance is a higher priority need.

An appropriation of $22,252,000, together with a $6,777,000 expected surplus from 1974 will cover an estimated $29,029,000 cost on prior year loans during 1975.

Awards for new starts are discretionary. Payments are mandatory when a proper bill is submitted.

### Accomplishments for fiscal year 1973/1974:

In fiscal year 1973, 137 grants totalling $3,654,000 were approved. This represented the first annual increment on $200,000,000 in construction loans. Of this total, 101 grants amounting to $2.6 million, supporting loans of $155,000,000 were for construction of public community colleges, developing institutions, and institutions enrolling 20 percent of more students from low-income families. In fiscal year 1974, no funds were requested or appropriated for new loans. The $31,425,000 appropriated to cover estimated costs of prior year loans was $6,776,797 more than will be needed according to the latest estimate. The surplus will be applied to 1975 costs.

## SUPPLEMENTAL FACT SHEET

### Higher Education Construction—Subsidized Loans

Following is a comparison of activity under the program from fiscal year 1970 estimated through 1975:

| | Two-Year Schools | Colleges & Univ. | Total |
|---|---|---|---|
| Amount of new subsidized loans: | | | |
| 1970 (Actual) | $ 13,898,000 | $105,584,000 | $119,482,000 |
| 1971 (Actual) | 150,000,000 | 450,000,000 | 600,000,000 |
| 1972 (Actual) | 121,032,000 | 394,057,000 | 515,089,000 |
| 1973 (Actual) | 77,500,000 | 122,500,000 | 200,000,000 |
| 1974 (Estimate) | --- | --- | --- |
| 1975 (Estimate) | --- | --- | --- |
| Number of new projects: | | | |
| 1970 (Actual) | 11 | 75 | 86 |
| 1971 (Actual) | 82 | 271 | 353 |
| 1972 (Actual) | 69 | 241 | 310 |
| 1973 (Actual) | 44 | 93 | 137 |
| 1974 (Estimate) | --- | --- | --- |
| 1975 (Estimate) | --- | --- | --- |

Funds were first appropriated for the interest subsidy program in the supplemental appropriation of 1969, but the program did not become operational until late in fiscal year 1970. The following table shows the loans subsidized, appropriations, and obligations incurred for new loans versus continuations of old loans, and amounts carried forward.

## Funding of Subsidies on Construction Loans

| | 1970 2/ | 1971 | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|---|---|
| **Amount of loans subsidized 1/** | $119,482,000 | $600,000,000 | $515,089,000 | $200,000,000 | --- | --- |
| **Appropriations** | 15,670,000 | 21,000,000 | 29,010,000 | 14,069,000 | $31,425,000 | $22,252,000 |
| **Obligations incurred:** | | | | | | |
| New loans 1/ | 3,792,899 | 14,503,934 | 9,740,979 | 3,654,201 | --- | --- |
| Continuation or prior year loans | --- | 3,757,809 | 17,804,758 | 25,629,851 | 29,029,000 | 29,029,000 |
| Recoveries | --- | 105,644 | 1,170,926 | 2,240,201 | --- | --- |
| Net obligations | 3,792,899 | 18,156,099 | 26,374,811 | 27,043,851 | 29,029,000 | 29,029,000 |
| **Carry forward** | 11,877,101 | 14,721,00[illegible] | 17,356,191 | 4,381,340 | 6,777,000 | --- |

1/ The above table reflects gross obligations and gross amounts of loans subsidized. The obligations for new loans and the amount of loans subsidized are adjusted in total as of June 30, 1973 for fiscal years 1970 through 1973 as follows:

| | |
|---|---|
| Total number of projects ............................ | 723 |
| Total adjusted obligations for new loans ............ | $29,029,000 |
| Total adjusted loan amounts subsidized .............. | $1,407,146,000 |

2/ Includes 1969 supplemental

| Institutional Assistance | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| (c) Language Training and Area Studies | | | |
| (1) NDEA VI Program | | | |
| New awards................. | $11,333,000 | $8,640,000 | $ -2,693,000 |
| (Obligation)............... | (22,895,152*) | (8,640,000) | (-14,255,152) |

*Includes $11,562,152 in unobligated funds brought forward from fiscal year 1973 for academic year 1973-74 program activities.

## Narrative

### Purpose

Title VI of NDEA authorizes grants and contracts to help American institutions of higher education better serve the national interest in the contemporary world by strengthening the academic base for teaching and research in modern foreign languages, area studies and world affairs. Emphasis is placed on efforts designed to:

--Increase and maintain the nation's manpower pool of foreign language and area trained personnel and develop curricula and instructional materials to assist in the training of such specialists; or

--Demonstrate through a limited number of exemplary projects methods of introducing an international dimension into all levels of postsecondary education in order to increase general non-specialist knowledge of other cultures and topics of global concern.

### Plans for Fiscal Year 1975

A total of $8,640,000 is requested to assist centers, programs, fellowships, and research in international studies. Specific plans include:

Centers:

To train specialists for careers requiring knowledge of other countries, their languages, and cultures, funds are requested to continue assistance to 50 comprehensive centers at an average cost of $85,000 to $93,000 per center. Located at 28 U.S. colleges and universities, the centers will offer instruction in international studies to an estimated 60,000 students during academic year 1975-76. Centers focus on the foreign languages and related studies of Latin America, the USSR and Eastern Europe, East Asia, South Asia, Southeast Asia, the Middle East, Africa, and on selected other fields including Western European, Canadian, Pacific, Inner Asia, comparative and international studies.

Exemplary Projects:

To demonstrate more effective ways in which international education can be made available at the graduate and undergraduate levels, funds are requested to assist a limited number of exemplary projects (20-30) for a two year period. These include: graduate projects for research and training on interregional issues and problems in fields such as comparative urban studies, technology and social changes, international trade, and environmental studies; and, undergraduate projects designed to add an international component to general postsecondary education, with particular emphasis on teacher training.

Fellowships:

Funds are requested for approximately 600 graduate fellowships for students preparing to become specialists in foreign languages and area studies. Fellowships will be targeted on the most significant disciplines and world areas in which there is a shortage of trained personnel.

Research:

An amount of $500,000 is requested to support 16 research projects. Research will be directed toward the language learning process, the methodology of foreign language teaching, preparation of instructional materials on uncommonly taught languages, and the development of baseline studies and curriculum materials for international/intercultural education.

Accomplishments for fiscal years 1973/74

In fiscal year 1973, $939,000 was obligated to continue support for the second year of 11 undergraduate and 6 graduate 2-year demonstration programs in international studies, as well as 14 research contracts. The unobligated balance of $11,562,152 was carried over into fiscal year 1974 for obligation.

In fiscal year 1974, a total of $22,895,152 was obligated for international studies programs. Of this amount, $11,562,152 was obligated for activities to be carried out during academic year 1973-74, including: 50 comprehensive centers, 19 graduate and 39 undergraduate 2-year demonstration programs, 1,110 graduate-level, academic year fellowships, and 6 research contracts. In addition, $11,333,000 in fiscal year 1974 funds have been appropriated for activities scheduled to take place during academic year 1974-75. These include [illegible]0 centers, 25 graduate and 48 undergraduate demonstration projects, 837 graduate-level academic year fellowships and 29 research contracts.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional Assistance | | | |
| (c) Language Training and Area Studies | | | |
| (2) Fulbright-Hays, Section 102(b) (6) | | | |
| Appropriation.......... | $1,360,000 | $1,360,000 | $ — |
| (Obligation)........... | (1,363,754) | (1,360,000) | (-3,754) |
| (a) New awards................ | 142 | 142 | — |
| (b) non-competing continuing awards.................... | — | — | — |
| (c) Competing awards........... | — | — | — |

## Narrative

### Purpose

Programs funded under Section 102(b)(6) of the Fulbright-Hays Act help provide the overseas capability to strengthen American education in foreign languages, area studies, and world affairs. Adequate opportunities for research and study abroad are critical in developing and maintaining the professional competence of foreign language and area studies specialists.

Geared to meet national needs, the Fulbright-Hays programs administered by the Office of Education provide a limited number of research scholars in foreign language and area studies and other educators with a means for acquiring first-hand experience in their area of specialization to update and extend research knowledge and to improve language skills. Program assistance includes fellowships for faculty and doctoral dissertation research, group projects for research, training and curriculum development, and curriculum consultant services of foreign educators to improve international and intercultural education in U.S. schools and colleges.

### Plans for fiscal year 1975

Of the $1,360,000 request, $750,000 would provide 100 doctoral dissertation research fellowships for prospective college teachers of foreign languages and area studies with particular emphasis on world areas and disciplines in which there is a significant shortage of well-trained specialists. An additional $140,000 would provide 20 grants for faculty research in East and Southeast Asia and Eastern Europe to reinforce professional skills and to help faculty remain current in their field of specialization. A total of $360,000 is requested to fund 10 group research and training projects abroad for about 270 participants. These participants will attend either inter-university centers abroad for research or advanced training in selected non-Western languages, or summer seminars related to domestic ethnic studies programs. An amount of $100,000 would provide 12 American institutions with cost-sharing grants, enabling them to bring foreign educational consultants to the United States to assist in developing instructional materials in international and intercultural studies. Priority would be given to large school systems, state departments of education, and smaller colleges with teacher education programs. In addition, $10,000 would be allocated for professional support services to the Office of Education's grantees abroad. Program activities will take place during summer 1975 and academic year 1975-76.

Accomplishments for fiscal year 1973/74

A total of $1,352,246 in fiscal year 1973 provided 142 grants for research and training abroad. Doctoral dissertation research fellowships totaling $748,659 enabled 101 graduate students preparing for college and university teaching careers to conduct research in 49 countries. A total of $127,835 funded 19 fellowships for faculty research abroad.

Of the ten group projects abroad, two assisted 80 participants in the two American inter-university intensive language training programs which provided the highest level instruction regularly available abroad to American students of Japanese and Chinese. One project supported an intensive Serbo-Croatian language program at the University of Zagreb, Yugoslavia. The remaining seven projects were ethnic heritage summer seminars for 165 teachers and administrators which took place in Mexico, Singapore, and West Africa. The seminars are designed to improve understanding of the cultural origins of ethnic minority groups in the United States. In addition, 12 curriculum consultant grants helped educators from nine countries to come to the U.S. to help develop curricula and teaching materials at U.S. schools and colleges. Finally, $16,900 funded professional support services for the Office of Education's grantees abroad.

The fiscal year 1974 appropriation of $1,363,754 will support research and training opportunities abroad for 390 teachers and prospective teachers of foreign languages and area studies. A total of $750,000 will provide 100 doctoral dissertation research fellowships. An estimated $363,754 will assist 10 high priority group projects providing (1) intensive language training and (2) summer workshops related to domestic ethnic studies programs. The sum of $100,000 will provide 12 foreign curriculum consultant cost-sharing grants. In addition, $140,000 will provide 20 fellowships for faculty research. Finally, $10,000 will provide professional support services for grantees abroad.

## SUPPLEMENTAL FACT SHEET

### Fulbright-Hays Training Grants

| | FY 1973 Actual | FY 1974 Est. | FY 1975 Est. |
|---|---|---|---|
| **FACULTY RESEARCH ABROAD** | | | |
| number of fellowships | 19 | 20 | 20 |
| average cost | $6,728 | $7,000 | $7,000 |
| total cost | $127,835 | $140,000 | $140,000 |
| **DOCTORAL DISSERTATION RESEARCH ABROAD** | | | |
| number of fellowships | 101 | 100 | 100 |
| average cost | $7,412 | $7,500 | $7,500 |
| total cost | $748,659 | $750,000 | $750,000 |
| **GROUP PROJECTS ABROAD** | | | |
| number of projects | 10 | 10 | 10 |
| average cost | $36,868 | $36,375 | $36,000 |
| total cost | $368,686 | $363,754 | $360,000 |
| number of participants | 270 | 270 | 270 |
| average cost per participant | $1,365 | $1,347 | $1,333 |
| **FOREIGN CURRICULUM CONSULTANTS** | | | |
| number of fellowships | 12 | 12 | 12 |
| average cost | $7,847 | $8,333 | $8,333 |
| total cost | $94,166 | $100,000 | $100,000 |
| **PROFESSIONAL SUPPORT SERVICES** | $16,900 | $10,000 | $10,000 |
| Fulbright - Hays.............. | $1,356,246 | $1,363,754 | $1,360,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional Assistance | | | |
| (d) University Community Services | $14,250,000 | --- | $-14,250,000 |
| State Grant Program........... | 12,825,000 | --- | -12,825,000 |
| Special Projects-new awards... | 1,425,000 | --- | -1,425,000 |
| (Obligations)............... | (14,327,500) | (---) | (-14,327,500) |

## Narrative

### Program Purpose

Title I of the Higher Education Act authorizes grants to States to strengthen the community service programs of colleges and universities for the purpose of assisting in the solution of community problems. The program is designed to aid the process of community problem solving through continuing education of individuals, groups and whole communities. In addition this program encourages the development of State-wide systems of community service and the establishment of new inter-institutional programs of continuing education related to State-identified community problems. The Federal share is 66-2/3 percent.

The special projects portion (Section 106) of the program provides grants to institutions of higher education for special projects and programs which are designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution.

Section 110 provides for discretionary grants to apply the resources of higher education to the transportation and housing problems of elderly persons living in rural and isolated areas.

### Plans for Fiscal Year 1975

In order to concentrate support for higher education on only the most critical institutional aid programs, so that scarce resources can be targeted to student aid, no funds are requested for this program. States and localities should assume responsibility for community service programs.

### Accomplishments for Fiscal Years 1973/1974

Funds were released on June 22, 1973 for grants to the States at the $15 million operating level. On July 1, 1973, authority was granted for this sum to remain available until September 30, 1973. During this fiscal year, extended, the State Agencies supported 647 community service projects involving 661 institutions of higher education. More than one-half million participants will be served by these projects in fiscal year 1974. Of the 647 projects, 132 are inter-institutional or consortial activities.

During 1974, fewer but more substantial projects at the State level that link HEA Title I efforts to other community serving programs will be supported. It is anticipated that some 600 projects will be supported and that one-third of these will use the combined resources of two or more colleges.

The program of special projects will experiment with innovative methods, materials or systems for continuing education. Special emphasis will be placed on cooperative projects that show unusual promise in promoting comprehensive educational approaches to community problem solving. It is anticipated that some 20 special projects will be supported.

## SUPPLEMENTAL FACT SHEET

### University Community Services

| | 1974 Estimate | 1975 Estimate |
|---|---|---|
| (a) State Grant Program: | | |
| Number of State-grant project awards | 626 | --- |
| Number of State-grant projects operational | 750 | 500 * |
| Number of institutions participating | 600 | 570 * |
| Participants | 495,000 | 350,000 * |
| Amount of average awards | $20,000 | --- |
| (b) Special Projects: | | |
| Number of Special project awards | 20 | --- |
| Number of Special projects operational | --- | 20 * |
| Amount of average awards | $72,000 | --- |

* Utilizing funds appropriated in 1974.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional Assistance: | | | |
| (e) Aid to land-grant colleges: | | | |
| (1) Permanent appropriation. | $ 2,700,000 | --- | $-2,700,000 |
| (2) Bankhead-Jones Act...... | 9,500,000 | --- | -9,500,000 |
| Total........... | 12,200,000 | --- | -12,200,000 |
| Non-competing continuing awards.................... | 54 | --- | -54 |

## Narrative

### Program Purpose

Funds are awarded to support post secondary instruction in agriculture, the mechanic arts, the English language, and various branches of the sciences. The Second Morrill Act of 1890, as amended, provides a permanent annual appropriation of $2,700,000 to be allotted, $50,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The Bankhead-Jones Act authorizes an annual appropriation of $12,460,000. Uniform grants of $150,000 go to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The balance of the appropriation for the Bankhead-Jones program is apportioned among States in accordance with a formula based on population.

### Plans for Fiscal Year 1975

Bankhead-Jones funds and the Permanent Appropriations are a relatively minor source of funds for these colleges and universities, which include some of the strongest and most prestigious institutions of learning in the country. The smaller and poorer land-grant institutions, particularly the predominantly black land-grant institutions in the South, will continue to be aided by the Developing Institutions Program (Title III of the Higher Education Act of 1965) for which substantially increased appropriations are requested. As a consequence, no funds are requested for 1975; legislation will be submitted to repeal the permanent land-grant program (Second Morrill Act) and the annual appropriation (Bankhead-Jones).

### Accomplishments for Fiscal Years 1973/1974

The Education Amendments of 1972 provided that the College of the Virgin Islands and the University of Guam shall be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1972. In addition to granting them land-grant status in fiscal year 1973, they each received a one-time endowment of $3,000,000 in lieu of land.

In 1974 seventy-two land-grant institutions of higher education, in fifty-four land-grant jurisdictions, will share the $12,200,000 in grants ranging from approximately $200,500 to $383,900.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| nstitutional Assistance | | | |
| (f) State Postsecondary Education Commissions: Administration and planning................ | $ 3,000,000 | -- | $ - 3,000,000 |

## Narrative

### Program Purpose

Section 1203 of the Higher Education Act authorized appropriation for compre-
ensive planning grants to be administered by State agencies established under Sec. 1202 of the Act. Those agencies would administer Federal grants awarded under Title X (Community Colleges and Occupational Education), and could be designated (by the State) to administer Community Services and Continuing Education Programs (Title I of the Higher Education Act), the Undergraduate Equipment Program (Title VI-A of the Act), or Grants for Construction of Undergraduate Academic Facilities (Title VII-A of the Act).

### Plans for Fiscal Year 1975

No fiscal year 1975 funds are being requested for State agencies established under Sec. 1202 of the Higher Education Act since no funds are being requested for the Federal programs the agencies were intended to administer.

### Accomplishments for Fiscal Years 1973-74

During 1973, fifty-five States and territories received allotments for administration and planning of their construction and undergraduate equipment programs.

In 1974, grants have been awarded to State agencies to permit them to complete work they have been requested to do in connection with the construction and equipment programs. Grants for comprehensive planning are authorized.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Institutional Assistance: | | | |
| (g) Veterans' cost of instruction..... | $ 23,750,000 | --- | $-23,750,000 |
| Number of awards[1]............... | 1,350 | --- | - 1,350 |

[1] Since this is an entitlement program, the concept of competitive renewals is not applicable.

## Narrative

### Purpose

To encourage postsecondary institutions to recruit veterans and to provide special services for them, section 420 of the Higher Education Act authorizes appropriations for grants to institutions which increase their enrollment of veterans by 10% over a base year and provide specified services for them. The amount an institution receives is based on the number of undergraduate veterans and the number of disadvantaged veterans as explained more fully in the Supplemental Fact Sheet.

### Plans for 1975:

Federal support for the start up of recruitment activities and introduction of special services for Veterans is not being requested for fiscal year 1975 for four reasons: first, the high point for returning Vietnam-era veterans has passed; second, now that recruitment programs have been established, veterans can be helped more by student assistance programs than by institutional assistance; third, qualifications for participants in the program required by the legislation result in rewarding those institutions that have done the least for veterans in the past; fourth, the budget proposes to increase direct benefits to Veterans by more liberal veteran educational allowances and by providing more equity in treating these allowances in determining the eligibility and level of award under the Basic Opportunity Grants program.

### Accomplishments for Fiscal Year 1973-1974

In 1973, 1,067 institutions of higher education received awards under program. It is estimated that the number will increase to 1,350 in 1974. The funds have, and will help establish and finance programs of recruitment, counseling, outreach and remediation at qualifying institutions. Since 1973 funds were obligated near the end of the fiscal year, 1973-74 is the first academic year of the programs operation.

## SUPPLEMENTAL DATA SHEET

## Veterans' Cost of Instruction

To qualify for assistance under section 420 of the Higher Education Act, an institution must provide certain services and maintain enrollment of veterans at a level 10 percent above a base year. Initially the base is 1971-72 academic year; but, if enrollment for any subsequent year is less than 110 percent of the base year, that subsequent year becomes the new base year. It means that falling to 109 percent of the base year would increase the difficulty of qualifying, while falling to 50 percent of the base year makes it easier to qualify in the subsequent year. This rule, of course, gives an advantage to institutions that had done very little for veterans in the base year, While institutions which tried hardest to help veterans before the program was enacted find it very difficult to qualify.

In addition to the requirement of increased veteran's enrollment, the institution must:

(a) maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provision of educational, vocational, and personal counseling for veterans;

(b) carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education;

(c) carry out active outreach, recruiting, and counseling activities through the use of funds available under federally assisted work-study programs; and

(d) to carry out an active tutorial assistance program.

In the case of institutions with less than 2,500 students, the Commissioner may allow the aid to be carried out through a consortium, or ease the requirements in other ways.

Qualifying institutions may receive a maximum of $300 for each undergraduate veteran enrolled, plus $150 for each educationally disadvantaged veteran as defined by the Act. The amount each institution receives is pro-rated down as necessary to keep total obligations within the amount appropriated.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| College personnel development: | | | |
| (a) College teacher fellowships...... | $ 5,806,000 | $ 4,000,000 | $ - 1,806,000 |
| (b) Fellowships for disadvantaged.... | 750,000 | 750,000 | -- |
| (c) Ellender fellowships............. | 500,000 | 500,000 | -- |

Narrative

The 1975 budget continues the phase-out of the college teacher fellowships, and it includes requests for Ellender fellowships and fellowships for disadvantaged. In the case of college teacher fellowships, funds are requested to allow veterans to resume fellowships interrupted by military service. The objective of the Ellender fellowships is to help high school students and their teachers learn about the Federal government. The $750,000 requested under fellowships for disadvantaged will allow the Office of Education to continue the CLEO (Council on Legal Educational Opportunity) program provided that the authorizing legislation is amended as described under the subactivity.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| ersonnel Development: | | | |
| (a) College teacher fellowships: | | | |
| Non-competing continuing awards... | $5,806,000 | $4,000,000 | $-1,806,000 |
| Number........................ | 880 | 610 | -270 |

Program Purpose

The purpose of the program is to prepare persons for college teaching. Recipients must be pursuing or intending to pursue the doctor of philosophy, or equivalent, degree. The program is authorized by Title IX, Part B of the Higher Education Act. Grants to colleges for new starts are discretionary. For continuations, grants are awarded as needed. The institution awards fellowships to individuals.

The fellowships in this program are three-year fellowships. The last new fellowships were awarded in 1971. Hence, the fellowship year 1973-74 will be the last year of support for persons who are not returned veterans who have been reinstated to fellowships they held at the time of their departure for military service. A commitment was made to fellows resigning for military service that, subject to the availability of funds, they would be reinstated upon their return to the tenure due them in their original fellowships. Because fellows who resigned for military service were promised that they could serve in the military for as long as four years and still claim their fellowships upon return, there will likely be a small number of returned veterans who will be on fellowship tenure even toward the end of this decade.

Plans for Fiscal Year 1975

During the Vietnam War many fellowship holders were called into military service, thus forcing them to resign their fellowships. They were promised that, subject to the availability of funds, they would be reinstated in their fellowships for the remainder of their tenure when they returned from military service. It could be possible that as many as 610 of these could be on tenure during 1975-76. The requested $4,000,000 (fiscal year 1975 money) will be used solely for the support of such veterans.

Accomplishments for Fiscal Years 1973-74

The fiscal year 1973 appropriation is supporting, during the 1973-74 fellowship year, 2,100 third year fellows plus approximately 880 veterans resuming their fellowships after completion of military service. No new fellowships have been awarded. The fiscal year 1974 appropriation of $5,806,000 will support approximately 880 returned veterans during the 1974-75 fellowship year.

## SUPPLEMENTAL FACT SHEET

## College Teacher Fellowship Program

(NDEA Title IV; HEW Title IX-B commencing Fiscal Year 1974)

| | Academic Year | | |
|---|---|---|---|
| | 1973-74 | 1974-75 | 1975-76 |
| College Teacher Fellowships.......... | $ 20,000,000 | $ 5,806,000 | $ 4,000,000 |
| Number of Fellows Supported......... | 2,910 | 880 | 610 |
| (a) Number of new fellowships.... | -- | -- | -- |
| (b) Number of returned veterans on reinstated tenure......... | 880 | 880 | 610 |
| (c) Number of continuing fellows who are not returned veterans on reinstated tenure ..................... | 2,100 | -- | -- |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Personnel Development: | | | |
| (b) Fellowships for the disadvantaged (CLEO) | $ 750,000 | $ 750,000 | -- |

## Narrative

### Program Purpose

This program is authorized by Title IX, Part D (Sec. 961 (a)(2)) of the Higher Education Act of 1965, as amended.

Its purpose is to provide fellowships to persons of ability from disadvantaged backgrounds, as determined by the Commissioner of Education, to undertake graduate or professional study. The Congress intended that this program fund the Council on Legal Education Opportunity (CLEO) program which was transferred from the Office of Economic Opportunity to DHEW for administration and was funded during 1974-75 with funds appropriated to the Office of Education.

The Council on Legal Education Opportunity was established to bring about a significant increase in the number of lawyers from minority and disadvantaged groups. For nearly five years now, this program has been directed toward achieving this objective.

### Plans for Fiscal Year 1975

Plans for fiscal year 1975, like those for 1974 are contingent on passage of legislation that would permit the Office of Education to fund the program in much the same way as it was funded by the Office of Economic Opportunity. That agency funded the fellowships at a cost of $1,000 per year and paid CLEO $165,000 per year for administrative costs. The Office of Education has no authority to cover the latter item and is required by Title IX - D of the Higher Education Act to pay about $7,950 per year for each fellowship. If the legislation to be proposed is enacted, the Office could continue the program at the Office of Economic Opportunity level of about 200 new fellowships per year plus continuations. Under current legislation, the Office could fund only 94, and these would be continuations of fellows the Office of Economic Opportunity had begun. Since the program is forward funded, the above applies to academic year 1975-76.

### Accomplishments for Fiscal Year 1973-74

This program was funded by the Office of Economic Opportunity in 1973. That agency's earlier practice has been to fund all three years of the fellowship initially, though they allowed for some attrition. In 1973, however, the Office of Economic Opportunity funded only the first year of the new awards which numbered 214. During that year, there were another 338 fellowships covered by prior year appropriations, 180 in their second year and 158 in their third year. There were, therefore, a total of 552 funded fellowships for academic year 1973-74.

Of the 552 mentioned above, 160 would continue on the Office of Economic Opportunity funds in the year covered by 1974 funds (academic year 1974-75). Under current legislation; the Office of Education could fund only an additional 94, that is, it could not cover the normal number of renewals, and could fund no new starts. If legislation, mentioned under the 1975 plans, is enacted soon enough, the program can continue at about the Office of Economic Opportunity funded rate.

|  | 1974<br>Base | 1975<br>Estimate | Increase or<br>Decrease |
|---|---|---|---|
| Personnel Development: |  |  |  |
| (c) Allen J. Ellender Fellowships |  |  |  |
| Non-competing continuing awards | $500,000 | $500,000 | 0 |
| Number | 1 | 1 |  |

## Narrative

### Program Purposes

PL 92-506 authorizes the Commissioner of Education to make grants to the Close Up Foundation of Washington, D.C. to help the Foundation carry out its program of increasing the understanding of the Federal Government among secondary school students, their teachers, and the communities they represent. Up to 1500 fellowships are awarded each year by the Close Up Foundation to economically disadvantaged secondary school students and to secondary school teachers.

### Plans for fiscal year 1975

The $500,000 requested for 1975 would be awarded to the Close Up Foundation which would, in turn, award about 1,500 fellowships to economically disadvantaged secondary school students and secondary school teachers.

### Accomplishments for fiscal years 1973/1974

The Close Up Foundation awarded 1,478 fellowships. Of the $500,000 appropriated, $6,000 was for the foundation's administrative expenses and the balance was used directly for the fellowship.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Subactivity: Basic Educational Opportunity Grant Program (HEA, Title IV, Subpart A-1)

| 1974 | 1975<br>Authorization | 1975<br>Budget Estimate |
|---|---|---|
| $475,000,000 | Indefinite | $1,300,000,000 |

Purpose: To help qualified students finance their postsecondary education, this program, authorized by Title IV, subpart A-1 of the amended Higher Education Act, authorizes grants to students who carry at least half of a normal full load of studies at accredited postsecondary vocational, technical, proprietary institutions, and at colleges and universities at the undergraduate level. At full funding, the program provides a grant of $1,400 less expected family contribution, but not to exceed one-half the cost of attendance. The law provides a reduction formula for less than full funding.

Explanation: Special legislation restricted grants from 1973 funds to full-time first-year students. Special appropriation language restricts grants from 1974 funds to first and second year, full-time students. The restrictions were warranted by the relatively low level of funding. For 1975, however, it is estimated that the amount requested would provide full funding; that is, it would allow payment of full entitlement for all undergraduate postsecondary students in accordance with the basic law.

The program is forward funded, that is, the 1973 appropriation funded operations during the following year, academic year 1973-74. The fiscal year 1974 appropriation will fund operations during academic year 1974-75. The Commissioner must submit a schedule of expected family contribution to Congress by the first of February each year. The payment schedule which sets the levels of awards for a fiscal year will be published after the appropriation is passed so that students and their families may make definite plans for the following academic year.

Accomplishments in 1974: The $475,000,000 available in 1974 is expected to provide grants averaging $475 to 1,000,000 students during academic year 1974-75. The grants will range from $50 to $800. As mentioned above, special appropriation language limits grants from the 1974 appropriation to first and second year, full-time students.

During academic year 1973-74 (fiscal year 1974) the $122,000,000 appropriated in 1973 will provide 425,000 students with grants averaging $260, and ranging from $50 to $452. Special legislation restricted grants from 1973 funds for first year full-time students.

Objectives for 1975: It is estimated that the requested $1,300,000,000 will fully fund the program, providing grants ranging from $200 to $1,400 to 1.6 million students in academic year 1975-76 in all four years (and in special circumstances, five years) in addition to paying the $11,500,000 in contractual administrative costs.

# OFFICE OF EDUCATION

## Higher Education

## Program Purpose and Accomplishments

Activity: Supplemental Educational Opportunity Grants

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $210,300,000 | $200,000,000 1/ | --- |

1/ $200,000,000 for initial year awards plus such sums as are needed for renewal awards.

Purpose: The Supplemental Educational Opportunity Grants program (Title IV, Part A, Subpart 2 of the Higher Education Act of 1965) was created by the Educational Amendments of 1972 (P.L. 92-318) as a successor to the former Educational Opportunity Grants program (EOG).

Explanation: Federal funds are provided directly to postsecondary institutions to enable them to provide grants to those of their exceptionally needy students who but for such grants would be financially unable to attend their institutions. The appropriation for a given fiscal year is obligated to the institutions during that fiscal year to enable them to make payments to students during the following fiscal year. The amount paid to a student under this program may not exceed one-half of the total amount of financial aid made available to him by his institution.

Accomplishments in 1974: The fiscal year 1974 appropriation of $210,300,000 will be awarded to approximately 3,350 institutions (450 newly participating and 2,900 continuing participation) during fiscal year 1974. With these funds, the institutions will be able to make Supplemental Grants to an estimated 304,000 exceptionally needy students in academic year 1974-75.

Objectives for 1975: No funds are requested for 1975. Available resources are concentrated on the basic educational opportunity grant program proposed for full funding for the first time in fiscal year 1975.

## OFFICE OF EDUCATION

## Higher Education

## Program Purpose and Accomplishments

Activity: Work-study

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $270,200,000 | $420,000,000 | $250,000,000 |

Purpose: Under Title IV, Part C of the Higher Education Act of 1965, the Commissioner of Education is authorized to provide grants to institutions for a portion of the wages paid to needy students. Under the 1972 Education Amendments, preference for employment under the program is given to students with the greatest financial need, taking into account assistance provided from any public or private sources. Previously, preference was given to students from low-income families.

Explanation: A statutory formula determines the initial distribution among States. Funds are awarded and administered under an agreement between the Commissioner and each eligible institution of higher education, including proprietary schools and area vocational-technical schools. Funds are distributed among the institutions within a State by formula, based on Regional Panels' recommendations. Federal funds may be used to pay up to 80 percent of the wages paid to students selected by the institution; the institution must provide the matching share of 20 percent. Employment may be for the institution itself or at public or private non-profit agencies under contract with the participating instituion. Both full-time and half-time students attending eligible institutions are eligible, whereas previously, only full-time students could be employed under the program.

Accomplishments in 1974: The 1974 appropriation of $270,200,000 will be obligated to institutions during fiscal year 1974 to help pay for students employment in 1976 for 520,000 students earning an average of $580 each. It is expected that Basic Grants and Guaranteed Loans will be sufficiently available then to minimize the need for other forms of Federal financial aid for students.

Objectives for 1975: The funds requested for fiscal year 1975 will finance student employment during fiscal year 1976. It is anticipated that Basic Grants and Guaranteed Loans will be sufficiently available at that time to minimize the need for other forms of Federal financial aid for students. However, since Basic Grants are limited to paying no more than half of a student's cost of education and since some students refuse to borrow, there is a place for a work program of limited size.

The funds which are requested are adequate to provide employment for 520,000 students earning an average of $580 each.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: Cooperative education programs

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $10,750,000 | $10,750,000 | $10,750,000 |

Purpose: Title IV-D of the Higher Education Act authorized $10,000,000 for the Commissioner of Education to award grants to institutions of higher education for planning, establishing, carrying out, or expanding cooperative education programs developed in conjunction with business and industry. An additional amount of $750,000 is authorized for grants related to program development and for administrative training.

Explanation: After an institution has met eligiblity requirements established by the Commissioner, its proposal is evaluated by a panel of consultants drawn from the academic community, business, industry and government. An institution may receive grants for up to three years to carry out their proposal. However, all awards made under this title including continuing awards are competing. Final funding decisions rest with the Office of Education. The maximum annual award is $75,000. Federal funds do not pay student salaries; students are paid by employers.

Accomplishments in 1974: Approximately 50 new institutions and 300 institutions which received awards in 1973, will be given funds for the academic year 1974-75 to administer new or continuing cooperative education programs. In addition, personnel will be trained to implement and strengthen these programs, and much needed research will be undertaken to provide directions for these programs.

It is estimated that only 100 institutions had cooperative education programs in 1966, compared with 350 in June 1972 and 700 at the present time.

Objectives for 1975: The program will be maintained at the funding level of the previous two years, with about 80 or more new institutions and approximately 260 institutions that were funded in the previous year being assisted in developing cooperative education programs. Research efforts should begin to provide needed guidelines, performance standards, and program models necessary for the refinement of future cooperative education programs.

## OFFICE OF EDUCATION

## Guaranteed Student Loan Program

### Program Purpose and Accomplishments

Activity/Subactivity: Subsidized Insured Loans

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $310,000,000 | Indefinite | $315,000,000 |

Purpose: The objective of the Guaranteed Student Loan Program, authorized by Title IV-B of the Higher Education Act is to provide students who wishes to borrow a means of financing a portion of the cost of their postsecondary education. Guaranteed loans are made primarily by commercial lenders, with the Federal government paying part of the maximum 7% interest for eligible students. The government also pays a special allowance, which may not exceed 3% per annum, on all loans made and still outstanding after August 1, 1969.

Explanation: Loans are either guaranteed by twenty-six State or private agencies or insured by the Federal government. The maximum loan may not exceed $2,500 per academic year and the total aggregate loans outstanding may not exceed $7,500 for undergraduate students and $10,000 for graduate or professional study, including amounts borrowed at the undergraduate level. Students apply for a subsidized loan by submitting to the lender the school's recommendation for the loan amount based on its analysis of the student's need.

Accomplishments in 1974: The program received an appropriation of $310,000,000 for interest benefits, death and disability payments, and special allowances to lenders. This appropriation supported lender billings on $3.5 billion and special allowance payments on $4.5 billion. New loans amounting to more than a billion dollars were guaranteed. About 10% of these were unsubsidized. The level of on-site reviews of lenders and schools to verify accuracy of computing interest and special allowance billings was increased substantially.

Objectives for 1975: Emphasis on lender and school reviews, the promotion of lender participation and the making of non-subsidized loans will continue. Approximately $315 million of new funds plus $5.5 million expected to be brought forward from 1974 will be spent to support interest and special allowance billings.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Subactivity: National Direct Student Loans (Higher Education Act, Title IV-E)

| | 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|---|
| Federal Capital Contributions | $286,000,000 | $400,000,000 | $ --- |
| Loans to Institutions | 2,000,000 | --- | --- |
| Teacher/Military Cancellations | 5,000,000 | Indefinite | 6,440,000 |

## Narrative

Purpose: The purpose of this program, as authorized by Title IV-E of the Higher Education Act, is to provide long-term, low-interest loans to needy students in institutions of higher education to enable them to pursue their course of study at such institutions. All or a portion of the loan to a student may be cancelled in consideration of subsequent service in certain kinds of teaching or subsequent military service in a combat zone.

Explanation: Under an agreement between the Commissioner of Education and the eligible institution, a revolving student loan fund is created at the institution, with 90 percent Federal Capital Contribution and 10 percent Institutional Capital Contribution. Loans bear 3 percent interest, beginning 9 months after student ceases at least half-time attendance at an eligible institution.

The Commissioner reimburses to the institution its share of loans cancelled if the loan was made before July 1, 1972. For loans cancelled after June 30, 1972, the Commissioner restores to the Fund at the institution the full amount cancelled.

All assets of the Fund created under NDEA II are vested in the Fund now authorized under HEA-IV-E. The present estimated net worth of these Funds is $2.5 billion. It is estimated that the Fund would be capable of generating collections which would eventually sustain a lending volume in excess of $180 million annually, except that "leakages" from the Fund caused by cancellation of loans made before July 1, 1972, and the drain of default and delinquencies will tend to diminish the capital.

Accomplishments in Fiscal Year 1974: The 1974 appropriation of $286,000,000 for Federal capital contributions will be obligated to an estimated 2,800 institutions to enable them to draw funds during fiscal year 1975 to establish or augment their revolving student loan fund. These funds, plus the institutional share, and net collections for the year are expected to be in excess of $470,000,000, which will provide an average loan of $690 to 682,000 students.

Objectives for 1975: No new Federal capital contributions are requested for 1975. It is expected that the guaranteed student loan program, as the result of administrative and legislative changes and the operation of the Student Loan Marketing Association will provide students adequate access to student loans.

It is estimated that the net value of all national direct student loan funds at institutions at the end of 1975 will be $2.8 billion. Such a total value in a perpetual revolving Fund should be sufficient, when Funds mature, to provide annual loans of more than $200 million a year, to supplement guaranteed student loans from private lenders.

The net amount expected to be available from collections during fiscal year 1976 is $165 million. At that time the Student Loan Marketing Association will have been in operation for more than two years and can be expected to significantly augment the volume of Guaranteed Student Loans, in comparison with present volume. In addition, full funding has been requested for the Basic Educational Opportunity Grants program. These two factors in combination eliminate the need to further augment the National Direct Student Loan Funds at the institutions.

During fiscal year 1976, the net available collections of $165 million will provide an average student loan of $500 (which is expected to be adequate under prevailing conditions) to 330,000 students.

The increase of $1,440,000 requested for teacher/military cancellations reflects the statutory change which provides for 100 percent reimbursement to the loan Funds at the institutions of cancellations granted on loans made after June 30, 1972. On earlier loans which will still constitute the great majority of those in repayment status and subject to cancellation at that time, the amount paid to the institutions on account of such cancellations represents reimbursement for the institution's share of the cancelled loans. In future years the amount of payments on account of teacher/military cancellations can be expected to increase as an increasingly large percentage of the loans in repayment status come to be those made after June 30, 1972.

## OFFICE OF EDUCATION

## Higher Education

## Student Assistance

### Program Purpose and Accomplishments

Activity: Incentive Grants for State Scholarship Programs
(Section 415, Higher Education Act of 1965, as amended)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $19,000,000 | $50,000,000 1/ | -0- |

**Purpose:** The purpose of this program, as authorized by Section 415 of the Higher Education Act, is to make incentive grants available to the States to encourage them to provide grants to eligible students in attendance at institutions of higher education.

**Explanation:** Incentive grants are made available to States under an allotment formula based on the numbers of students in attendance at institutions of post-secondary education within each of the States as compared to national attendance figures. The maximum permissible student grant is $750 (Federal portion). Grants must be matched on a 1:1 basis from State scholarship funds, up to a maximum of $1500 per student per academic year, based on full-time attendance (prorated in cases of half-time attendance). In order to qualify for Federal funds, States must also continue to spend in excess of a previously-established base level of effort for student grants. Funds which remain unallotted (e.g., in cases where no eligible matching program has been developed by a State or States) shall be reallotted by the Commissioner to those States which demonstrate remaining need for such funds to expand or develop qualifying State scholarship or grant programs.

**Accomplishments in FY 1974:** Incentive grants totalling $19 million will be awarded to approximately 35 States having eligible matching scholarship or grant programs. These funds will result in new scholarship or grant awards by these States to approximately 76,000 students in school year 1974-75, averaging $500 (Federal plus State matching funds) per student assisted.

**Objectives for FY 1975:** In order that available resources may be concentrated on basic grants, college work-study and guaranteed loans, no funds are requested for this program in fiscal year 1975.

1/ This amount is for initial year awards. For continuation awards the authorization is indefinite.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity/Subactivity: Special programs for students from disadvantaged backgrounds (Higher Education Act of 1965, Section 417)

| 1974 | 1975 | |
|---|---|---|
| | Authorization | Budget Estimate |
| $70,331,000 | $100,000,000 | $70,331,000 |

Purpose: Grants are authorized under Title IV-A, Subpart A of the Higher Education Act to identify qualified low-income students, prepare them for postsecondary education, and provide special services for them and for physically handicapped students at the postsecondary level.

Explanation: This is a discretionary grant program with funding selections made in the regions from proposals submitted by institutions of higher education, combinations of such institutions, public and private agencies and organizations and in exceptional cases, secondary and secondary vocational schools. Educational Opportunity Centers requires 25% matching funds. Talent Search, Upward Bound and Special Services have no matching requirement. Support for the special services programs is being requested under a single budget activity. Formerly funds were requested separately for talent search, upward bound, the special services programs, and including educational opportunity centers. This change will increase program flexibility and provide better coordinated and improved services for students.

Accomplishments in 1974: Program is forward funded. Data for academic year 1972-73 records positive educational accomplishments (postsecondary placement, first-time postsecondary enrollment, postsecondary continuation, and dropout prevention and retention) in excess of 100,000 students.

Objectives for 1975: To serve 268,000 low-income, physically handicapped and culturally disadvantaged young people and secure positive educational results for 40% of those served. $67,331,000 will support program operations for Talent Search, Upward Bound and Special Services at approximately the same level as in fiscal year 1973. The remaining $3,000,000 will initiate a program of Educational Opportunity Centers, similar in function to Talent Search and Special Services, but providing additional and broader benefits to students in areas with major concentrations of low-income population.

## OFFICE OF EDUCATION

## Higher Education

## Program Purpose and Accomplishments

Activity: Institutional assistance
(a) Strengthening developing institutions, (U.S.C. 1051, P.L. 89-329, as amended, Section 121(a)

| 1974 | 1975 | |
|---|---|---|
| | Authorization | Budget Estimate |
| $99,992,000 | $120,000,000 | $120,000,000 |

Purpose: Grants are made to strengthen institutions of higher education which need financial assistance in order to develop as institutions offering a quality education to the students they serve. Proposals submitted by institutions of higher education are reviewed by a panel of readers. Recommendations are made to the program staff for final decision. Proposals are reviewed for quality and for their capacity to serve the needs of low-income students, especially minority groups.

Explanation: These are forward-funded, discretionary grants made to institutions of higher education. Grantees are selected annually on the basis of evaluations of applications reviewed by a group of professional consultants, drawn from the Nation's academic community, who are experts in their knowledge of the problems and needs of the developing institutions which Title III is designed to serve. The 1975 funds will be used in the 1975-1976 school or academic year.

Accomplishments in 1974: Basic Program - The $51,992,000 appropriated for the basic program in 1974, is expected to fund 240 grants. Of these, about 30 high potential institutions will receive slightly larger grants which will facilitate a transition into the Advance institutional development program.

Advanced Program - The $48,000,000 appropriated for the basic program will permit funding approximately 32 additional institutions, with 24% of the appropriation or $11,520,000 designated for two-year colleges. Institutions receiving 1973 awards are refining their proposals and operational plans which must be approved before funds are released for program implementation.

Objectives for 1975: Basic Program - In 1975 the $52 million allocated for Basic institutional development program will allow the funding of 30 new institutions and the continuation of 160 previous grants.

Advanced Program - The $68 million available in 1975 will provide grants to 43 institutions for an ultimate average award of $1.4 million for two-year institutions and $2.7 million for four-year institutions to be spent for institutional strengthening over a three to five year period. Increased funding will permit a fuller exploration of Advanced Institutional Development concept.

OFFICE OF EDUCATION

Higher education

## Program Purpose and Accomplishments

Activity:. Construction - Subsidized loans (HEA Title VII, Part C, Section 745)

| 1974 | 1975 | |
|---|---|---|
| | Authorization | Budget Estimate |
| $31,425,000 | Indefinite | $22,252,000 |

Purpose: Section 745 of Title VII, Part C, of the Higher Education Act of 1965 as amended, authorizes annual interest subsidy grants to institutions of higher education to reduce the cost of borrowing from non-Federal sources for the construction of needed academic facilities.

Explanation: Through fiscal year 1973 the Annual Interest Grant Program under the Higher Education Act was an important source of Federal assistance in the construction of higher education academic facilities. This program, through interest subsidization, was an effort to attract private capital for construction of higher education facilities. An institution or State agency arranges a loan from private sources at a rate acceptable to the Commissioner, and the Federal government pays a subsidy in an annual amount which, over the term of the loan, reduces the interest cost paid by the institution to three percent. The Federal government is committed to paying the annual subsidy amount for the entire term of the loan, not to exceed forty years.

Accomplishments in 1974: In fiscal year 1974, $31,425,000 was appropriated to continue the support of prior year loans. Funds were not requested to subsidize the interest on new loans in 1974 since it is believed that funds from non-Federal sources should be sufficient for construction of the most urgently needed facilities.

Objectives for 1975: An appropriation of $22,252,000 is being requested for fiscal year 1975. This amount together with unused and recovered funds carried over from prior years will provide the program with a total of $29,029,000 necessary for the continuation support of prior year loans. No new loans will be subsidized in fiscal year 1975.

OFFICE OF EDUCATION

## Higher Education

## Program Purpose and Accomplishments

Activity: Language Training and Area Studies

| 1974 | | 1975<br>Authorization | 1975<br>Budget Estimate |
|---|---|---|---|
| NDEA VI: | | $75,000,000 | $8,640,000 |
| Appropriation: | $11,333,000 | | |
| Obligation: | 22,895,152* | | |
| Fulbright-Hays: | | Indefinite | $1,360,000 |
| Appropriation: | 1,360,000 | | |
| Obligation: | 1,363,754 | | |

Purpose: Programs funded under this activity authorized by NDEA VI and Fulbright-Hays, are aimed at improving the capabilities and resources of American educational institutions for research and training in international studies. University centers, programs, fellowships, and research in the U.S. are supported as well as research and training abroad.

Explanation: Applications are received from U.S. institutions of higher education, individual researchers, State education agencies, public school systems, and non-profit education agencies. All new proposals are reviewed by the program staff with the advice of outside academic consultants. Final decisions are made by the Office of Education. Recommended overseas projects are also forwarded to appropriate U.S. diplomatic missions and binational commissions for comment on feasibility and host country concurrence. A final review for overseas projects under the Fulbright-Hays Act is made by the Board of Foreign Scholarships, an autonomous body appointed by the President to provide general supervision for all programs carried out under this act.

Accomplishments in Fiscal Year 1974: A total amount of $22,895,152 was obligated for NDEA VI programs in fiscal year 1974. This included $11,562,152 carried forward from fiscal year 1973 for academic year 1973-74 program activities: 50 comprehensive centers, 19 graduate and 39 undergraduate demonstration projects; 1,110 fellowships, and 6 research contracts were supported. In addition, $11,333,000 for NDEA VI and $1,363,754 for Fulbright-Hays were obligated to implement activities scheduled for academic year 1974-75 as follows: 50 centers, 73 graduate and undergraduate demonstration projects, 837 fellowships, and 29 research contracts under Title VI; and 120 faculty and doctoral research fellowships abroad, 10 group projects, and 12 curriculum consultant grants under Fulbright-Hays.

Objectives for Fiscal Year 1975: In fiscal year 1975, a budget request of $10,000,000 for NDEA VI and Fulbright-Hays would assist 50 centers, from 20 to 30 graduate and undergraduate demonstration projects, 600 fellowships, and 16 research projects under Title VI. Under Fulbright-Hays authority, a request of $1,360,000 would provide approximately 100 doctoral dissertation research fellowships, 20 faculty research grants, 10 group research and training projects, and 12 foreign curriculum concultant research and training projects, and 12 foreign curriculum consultant grants.

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*Includes $11,562,152 in funds carried over from FY 1973.

OFFICE OF EDUCATION

Higher Education

Program Purpose and Accomplishments

Activity: University community services
(Title I, Higher Education Act of 1965, as amended)

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $14,250,000 | $50,000,000 | -0- |

Purpose: (a) To strengthen the community service programs of colleges and universities for the purpose of assisting in the solution of community problems.

(b) To provide for special demonstration and experimental projects designed to seek solutions to national and regional problems relating to technological and social changes and environmental pollution.

Explanation: The program is authorized by Title I of the Higher Education Act. The State Grant portion is administered in each State by an agency appointed by the Governor, under a State Plan approved by the Commissioner of Education. This agency determines annually the problem areas to which available funds are to be applied. In this formula grant program the Federal share is 66-2/3 percent of this total amount expended.

The Special Project program authorizes the Commissioner to use ten percent of the money appropriated under this title for discretionary projects and requires that participating institutions provide at least ten percent of the costs incurred for individual projects.

Accomplishments in 1974: During 1974, some 750 community services projects will be operated by the States. Some 600 of these projects are to be supported by FY 1974 appropriations. More than one-half million adults will be served by the more than 600 participating colleges and universities.

The program of special projects will experiment with innovative methods, materials and systems for continuing education. Some twenty special projects will be supported.

Objectives for 1975: In order to concentrate support for higher education on only the most critical institutional aid programs, so that scarce resources can be targeted to student aid, no funds are requested for this program. States and localities should assume responsibility for community service programs.

OFFICE OF EDUCATION

Higher Education

## Program Purpose and Accomplishments

Activity: Aid to land-grant colleges
(1) Permanent Appropriation (Second Morrill Act, 1890, 7 U.S.C. 324)
(2) Bankhead-Jones Act, as amended, Section 22

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $2,700,000 1/ | $ 2,700,000 1/ | --- |
| 9,500,000 2/ | 12,460,000 2/ | --- |

Purpose: Funds are awarded to support instruction in agriculture, the mechanic arts, the English language, and various branches of the sciences. The Second Morrill Act of 1890, as amended, provides a permanent annual appropriation of $2,700,000 to be allotted, $50,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The Bankhead-Jones Act, as amended, authorizes an annual appropriation of $12,460,000.

Explanation: The Permanent Appropriation (Second Morrill Act of 1890, as amended,) gives each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands an appropriation of $50,000. The Bankhead-Jones Act, as amended, provides uniform grants of $150,000 to each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The balance of this appropriation is then divided by a formula, based on population, which gives each of the above entities a variable grant.

Accomplishments in 1974: Seventy-two land-grant institutions of higher education, in fifty-four land-grant jurisdictions, will share the $12,200,000 in grants ranging from approximately $200,500 to $383,900.

Objectives for 1975: Bankhead-Jones funds and the permanent appropriations are a relatively minor source of funds for these colleges and universities, which include some of the strongest and most prestigious institutions of learning in the country. The smaller and poorer land-grant institutions, particularly the predominantly black land-grant institutions in the South, will continue to be aided by the developing institutions program (title III of the Higher Education Act of 1965) for which substantially increased appropriations are requested. As a consequence, no funds are requested for 1975; it is proposed that legislation will be submitted to repeal the permanent land-grant program (Second Morrill Act) and the annual appropriation (Bankhead-Jones).

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1/ Permanent appropriation, Second Morrill Act

2/ Bankhead-Jones Act

OFFICE OF EDUCATION

Higher Education

## Program Purpose and Accomplishments

Activity: State Postsecondary Education Commissions (HEA Sections 1202 and 1203 and GEPA Section 421)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $ 3,000,000 | Indefinite | --- |

Purpose: Section 1203 of the Higher Education Act authorized appropriation for comprehensive planning grants to be administered by State agencies established under Sec. 1202 of the Act. Those agencies would administer Federal grants awarded under Title X (Community Colleges and Occupational Education), and could be designated (by the State) to administer Community Services and Continuing Education Programs (Title I of the Higher Education Act), the Undergraduate Equipment Program (Title VI-A of the Act), or Grants for Construction of Undergraduate Academic Facilities (Title VII-A of the Act).

Explanation: The Administration has not encouraged States to establish commissions authorized by section 1202 of the Higher Education Act since budget requests have not included funds for Federal programs the commissions were designed to administer. The existing State Higher Education Facilities Commissions continue to administer the Titles VI and VII programs. Funds were provided to these State Higher Education Facilities Commissions to cover the costs incurred in administering pertinent programs, including the necessary planning involved.

Accomplishments in Fiscal Year 1974: In fiscal year 1974, $3,000,000 was appropriated for both the planning grants under Sec. 1203 of the Higher Education Act and for State Higher Education Facilities Commissions. These funds will be used by the State Commissions to complete work the Federal government has requested them to do in connection with the construction and equipment programs. Planning grants are being considered.

Objectives for Fiscal Year 1975: Funds are not being requested for this program in fiscal year 1975 since the Federal programs administered by the State Commissions are not being funded in 1975.

## OFFICE OF EDUCATION

## Higher Education

## Program Purpose and Accomplishments

Activity: Veterans' cost-of-instruction program (section 420 of the Higher Education Act)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $23,750,000 | Indefinite | -0- |

Purpose: To encourage postsecondary institutions to recruit veterans and to provide special services for them, section 420 of the Higher Education Act authorizes appropriations for grants to institutions which increase their enrollment of veterans by 10% over a base year and provide specified services.

Explanation: To qualify for assistance, an institution must provide certain services as specified in the law and maintain enrollment of veterans at a level 10 percent above a base year. Initially the base year is 1971-72 academic year; but, if enrollment for any subsequent year is less than 110 percent of the base year, that subsequent year becomes the new base year. It means that falling to 109 percent of the base year would increase the difficulty of qualifying, while falling to 50 percent of the base year makes it easier to qualify in the subsequent years.

The amount an institution receives is based on the number of undergraduate veterans and the number of disadvantage veterans. Grants are pro-rated down from maximum "entitlement" to remain within appropriated funds.

Accomplishments in 1974: In 1973, 1,067 institutions of higher education received awards under this program. It is estimated that the number will increase to 1,300 in 1974. The funds have, and will help finance programs of recruitment, counseling, outreach and remediation at qualifying institutions. Since 1973 funds were obligated near the end of the fiscal year, 1973-74 is the first academic year of the programs operation.

Objectives for 1975: No funds are requested for 1975 for four reasons: first, the high point for returning Vietnam-era veterans has passed; second, now that recruitment programs have been established, veterans can be helped more by student assistance programs than by institutional assistance; third, qualification requirements for the program are such as to reward those institutions that have done the least for veterans in the past, and fourth, the budget proposes to increase direct benefits to Veterans by more liberal veteran educational allowances and by providing more equity in treating these allowances in determining the eligibility and level of award under the Basic Opportunity Grants program.

## OFFICE OF EDUCATION

### Higher Education

### Program Purpose and Accomplishments

Activity/Subactivity: College Teacher Fellowships (Higher Education Act of 1965, Title IX, Part B; formerly National Defense Education Act of 1958, Title IV).

| 1974 | 1975 | |
|---|---|---|
| | Authorization | Budget Estimate |
| $ 5,806,000 | 1/ | $ 4,000,000 |

Purpose: To prepare college teachers, Section 922 of Title IX-B of the Higher Education Act authorized the Commissioner of Education to award during fiscal year ending June 30, 1973, and each of the two succeeding fiscal years, up to 7,500 three-year fellowships for study in graduate programs in institutions of higher education.

Explanation: This is a discretionary grant program. With the assistance of academic experts recruited from colleges and universities, the Office of Education allots a specified number of fellowships to institutions of higher education in approved programs. Institutions select the fellows.

Accomplishments in 1974: During 1974, a total of 2,980 fellows including 880 veterans reinstated to their fellowship upon return from military service were supported at 203 participating institutions at a funding level of $20,000,000. No new fellowships were awarded.

Objectives for 1975: During 1975, the only fellows supported will be veterans who have been reinstated to their fellowships upon return from military service. No new fellowships will be awarded. The program was established to help fill an urgent need for college teachers at the Ph.D. level. In general, there appears, now, to be a surplus.

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1/ Amount needed to fund 7,500 new fellowships plus continuations.

## OFFICE OF EDUCATION

### Higher Education

### Program Purpose and Accomplishments

Activity: **Fellowships for the disadvantaged**

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $750,000 | $1,000,000 | $750,000 |

Purpose: The purpose of this program is to provide fellowships to persons of ability from disadvantaged backgrounds, as determined by the Commissioner of Education, to undertake graduate or professional study. The program is authorized by Title IX, Part D of the Higher Education Act of 1965, as amended.

Explanation: This is a non-competitive project grant to the Council on Legal Education Opportunity, having no matching requirements.

Accomplishments in 1974: Legislation will be proposed to allow this program to be funded as it was by the Office of Economic Opportunity.

That agency funded the fellowships at a cost of $1,000 per year and paid CLEO $165,000 per year for administrative costs. The Office of Education has no authority to cover the latter item and is required by Title IX - D of the Higher Education Act to pay about $7,950 per year for each fellowship. If the legislation to be proposed is enacted, the Office could continue the program at the Office of Economic Opportunity level of about 200 new fellowships per year plus continuations. Under current legislation, the Office could fund only 94, and these would be continuations of fellows the Office of Economic Opportunity had begun. Since the program is forward funded, the above applies to academic year 1975-76.

The Office of Economic Opportunity is supporting a total of 552 disadvantaged students in law schools during the 1973-74 academic year. The administrative responsibility for the Council on Legal Education Opportunity program was transferred from the Office of Economic Opportunity to the Department of Health, Education, and Welfare during 1974.

Objectives for 1975: In fiscal year 1975, it is expected that the program can be continued at about the Office of Economic Opportunity level of 200 new starts provided that requested legislation is enacted.

## OFFICE OF EDUCATION

### Higher Education

### Program Purpose and Accomplishments

Activity: Allen J. Ellender Fellowships

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $500,000 | $500,000 | $500,000 |

Purpose: P.L. 92-506 authorizes the Commissioner of Education to make grants to the Close Up Foundation of Washington, D.C. to help the Foundation carry out its program of increasing the understanding of the Federal Government among secondary school students, their teachers, and the communities they represent.

Explanation: Federal funds are awarded to the Close Up Foundation which awards fellowships to at least two students and one teacher from each participating community. The students and teachers come to Washington, D.C. for a one-week program, meeting with leaders from the three branches of the Federal Government. Up to 1,500 fellowships are authorized each year.

Accomplishments in 1974: It is estimated that the Close Up Foundation will award 1,500 fellowships totalling $500,000, utilizing funds appropriated in 1974. Some of these probably will be awarded during fiscal year 1975. Using $500,000 of 1973 funds, the Foundation awarded 1,478 fellowships.

Objectives for 1975: It is estimated that the $500,000 requested for 1975 will permit the Close Up Foundation to award 1,500 fellowships to secondary school students and teachers.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Student Assistance
Supplemental Educational Opportunity Grants

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $210,300,000 | $210,300,000 | --- |
| Alabama | 3,454,525 | 1,199,207 | — |
| Alaska | 455,099 | 88,730 | — |
| Arizona | 2,259,330 | 1,074,336 | — |
| Arkansas | 1,313,256 | 624,468 | — |
| California | 23,719,335 | 11,278,808 | — |
| Colorado | 2,824,444 | 1,343,055 | — |
| Connecticut | 2,682,776 | 1,275,690 | — |
| Delaware | 561,059 | 266,790 | — |
| Florida | 5,327,416 | 2,533,246 | — |
| Georgia | 3,116,292 | 1,464,452 | — |
| Hawaii | 800,490 | 427,533 | — |
| Idaho | 823,232 | 391,456 | — |
| Illinois | 10,549,553 | 4,615,167 | — |
| Indiana | 4,479,233 | 2,106,964 | — |
| Iowa | 3,640,331 | 1,279,611 | — |
| Kansas | 2,435,857 | 1,158,277 | — |
| Kentucky | 2,361,572 | 1,122,954 | — |
| Louisiana | 3,278,122 | 1,415,196 | — |
| Maine | 2,364,859 | 359,493 | — |
| Maryland | 3,097,951 | 1,473,110 | — |
| Massachusetts | 6,741,276 | 3,205,552 | — |
| Michigan | 9,846,072 | 3,896,784 | — |
| Minnesota | 6,083,044 | 1,733,387 | — |
| Mississippi | 3,169,406 | 872,753 | — |
| Missouri | 4,080,657 | 1,940,398 | — |
| Montana | 705,305 | 335,381 | — |
| Nebraska | 1,527,651 | 726,415 | — |
| Nevada | 297,275 | 141,357 | — |
| New Hampshire | 1,315,389 | 347,385 | — |
| New Jersey | 4,491,158 | 2,135,596 | — |
| New Mexico | 1,475,682 | 496,596 | — |
| New York | 17,335,705 | 8,038,239 | — |
| North Carolina | 5,311,944 | 2,045,525 | — |
| North Dakota | 1,337,783 | 348,151 | — |
| Ohio | 8,831,225 | 4,067,041 | — |
| Oklahoma | 2,611,606 | 1,241,848 | — |
| Oregon | 2,580,614 | 1,227,111 | — |
| Pennsylvania | 9,207,132 | 4,378,094 | — |
| Rhode Island | 1,034,109 | 491,731 | — |
| South Carolina | 1,984,456 | 867,990 | — |

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| South Dakota | 1,332,438 | 348,011 | --- |
| Tennessee | 3,241,069 | 1,541,164 | --- |
| Texas | 10,054,079 | 4,780,827 | --- |
| Utah | 1,890,939 | 899,163 | --- |
| Vermont | 1,179,921 | 270,685 | --- |
| Virginia | 3,452,000 | 1,641,464 | --- |
| Washington | 4,296,526 | 1,870,134 | --- |
| West Virginia | 1,492,362 | 709,635 | --- |
| Wisconsin | 8,625,575 | 2,212,641 | --- |
| Wyoming | 364,738 | 173,437 | --- |
| District of Columbia | 2,239,296 | 735,265 | --- |
| American Samoa | --- | 4,942 | --- |
| Guam | 47,010 | 28,121 | --- |
| Puerto Rico | 2,539,061 | 736,989 | --- |
| Virgin Islands | 32,705 | 10,204 | --- |
| Trust Territory | --- | 1,443 | --- |
| Potential Continuation Awards | --- | 110,300,000 | --- |
| Set Aside (10%) | | 10,000,000 | --- |

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Student Assistance
Work-Study

| State or Outlying Area | 1973 Actual | 1974 1/ Estimate | 1975 2/ Estimate |
|---|---|---|---|
| TOTAL | $270,200,000 | $270,200,000 | $250,000,000 |
| Alabama | 5,802,379 | 5,207,356 | 4,818,057 |
| Alaska | 328,147 | 321,018 | 297,019 |
| Arizona | 2,501,650 | 2,501,650 | 2,314,628 |
| Arkansas | 3,357,696 | 2,899,116 | 2,682,380 |
| California | 24,440,107 | 23,266,044 | 21,526,687 |
| Colorado | 3,528,615 | 2,968,966 | 2,747,008 |
| Connecticut | 2,952,771 | 2,952,771 | 2,732,024 |
| Delaware | 622,973 | 622,973 | 576,400 |
| Florida | 7,377,272 | 7,377,272 | 6,825,751 |
| Georgia | 6,390,308 | 5,848,042 | 5,410,846 |
| Hawaii | 1,108,764 | 940,580 | 870,263 |
| Idaho | 929,822 | 929,822 | 860,309 |
| Illinois | 13,720,581 | 11,099,099 | 10,269,237 |
| Indiana | 5,402,896 | 5,218,374 | 4,828,251 |
| Iowa | 3,925,939 | 3,286,001 | 3,040,342 |
| Kansas | 2,847,222 | 2,777,888 | 2,570,214 |
| Kentucky | 4,772,275 | 4,351,378 | 4,026,071 |
| Louisiana | 6,076,438 | 6,076,438 | 5,622,167 |
| Maine | 2,726,098 | 1,115,416 | 1,032,028 |
| Maryland | 4,036,470 | 4,036,470 | 3,734,705 |
| Massachusetts | 11,391,785 | 6,348,557 | 5,873,943 |
| Michigan | 9,599,174 | 9,500,374 | 8,790,132 |
| Minnesota | 6,295,407 | 4,431,764 | 4,100,448 |
| Mississippi | 4,885,174 | 4,424,074 | 4,093,332 |
| Missouri | 5,425,768 | 5,337,924 | 4,938,864 |
| Montana | 2,100,797 | 935,332 | 865,407 |
| Nebraska | 2,022,807 | 1,794,841 | 1,660,660 |
| Nevada | 450,254 | 404,048 | 373,841 |
| New Hampshire | 1,513,875 | 780,293 | 721,959 |
| New Jersey | 6,229,968 | 6,229,968 | 5,764,219 |
| New Mexico | 1,798,513 | 1,798,513 | 1,664,057 |
| New York | 19,263,427 | 19,263,427 | 17,823,304 |
| North Carolina | 8,181,440 | 6,722,686 | 6,220,102 |
| North Dakota | 1,314,528 | 901,716 | 834,304 |
| Ohio | 11,059,161 | 11,057,241 | 10,230,608 |
| Oklahoma | 3,522,127 | 3,441,748 | 3,184,446 |
| Oregon | 3,923,669 | 2,678,152 | 2,477,934 |
| Pennsylvania | 12,090,662 | 12,029,827 | 11,130,483 |
| Rhode Island | 1,150,241 | 1,117,571 | 1,034,023 |
| South Carolina | 4,483,023 | 3,859,533 | 3,570,997 |

| State or Outlying Area | 1973 Actual | 1974 1/ Estimate | 1975 2/ Estimate |
|---|---|---|---|
| South Dakota | 1,185,126 | 1,019,097 | 942,909 |
| Tennessee | 5,964,544 | 5,338,457 | 4,939,357 |
| Texas | 14,207,485 | 14,207,485 | 13,145,341 |
| Utah | 1,714,341 | 1,714,341 | 1,586,178 |
| Vermont | 748,699 | 578,288 | 535,056 |
| Virginia | 5,605,999 | 5,255,597 | 4,862,691 |
| Washington | 4,666,872 | 4,055,234 | 3,752,067 |
| West Virginia | 2,934,188 | 2,525,180 | 2,336,399 |
| Wisconsin | 7,240,035 | 5,131,300 | 4,747,687 |
| Wyoming | 564,253 | 425,922 | 394,080 |
| District of Columbia | 1,879,027 | 1,211,236 | 1,120,685 |
| Outlying Areas | 3,939,208 | 5,404,000 | 5,000,000 |
| Set aside (10%) | --- | 26,479,600 | 24,500,000 |

1/ Estimated distribution of $270,200,000 with 2% ($5,404,000) reserved for the outlying areas, and 90% ($238,316,400) of the balance distributed 1/3 ($79,438,800) on the basis of the total full-time degree credit and nondegree credit enrollment in institutions of higher education, Fall 1971; 1/3 on the total estimated high-school graduates, 1970-71 (revised 4/9/73); 1/3 on related children under 18 in families with incomes under $3,000 per annum (1969).

2/ Estimated distribution of $250,000,000 with 2% ($5,000,000) reserved for the areas and 90% ($220,500,000) of the balance distributed 1/3 ($73,500,000) on the basis of the total full-time degree-credit and nondegree-credit enrollment in institutions of higher education, Fall 1971; 1/3 on the total estimated high-school graduates, 1970-71 (revised 4/9/73); 1/3 on related children under 18 in families with incomes under $3,000 per annum (1969).

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

Direct Student Loans (HEA IV, Part E)

| State or Outlying Area | 1973 Actual[1] | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $286,000,000 | $286,000,000 | --- |
| Alabama | 4,441,442 | 3,601,554 | --- |
| Alaska | 156,846 | 180,616 | --- |
| Arizona | 3,045,054 | 2,859,136 | --- |
| Arkansas | 2,461,325 | 1,959,305 | --- |
| California | 31,544,066 | 28,983,196 | --- |
| Colorado | 4,287,303 | 3,962,534 | --- |
| Connecticut | 3,864,032 | 3,591,199 | --- |
| Delaware | 705,510 | 745,406 | --- |
| Florida | 7,940,427 | 7,283,587 | --- |
| Georgia | 4,961,738 | 4,384,505 | --- |
| Hawaii | 952,330 | 1,269,745 | --- |
| Idaho | 1,090,373 | 1,190,402 | --- |
| Illinois | 14,465,991 | 12,987,506 | --- |
| Indiana | 7,642,967 | 6,155,313 | --- |
| Iowa | 5,172,086 | 3,992,924 | --- |
| Kansas | 4,177,715 | 3,491,567 | --- |
| Kentucky | 4,132,627 | 3,355,610 | --- |
| Louisiana | 4,870,583 | 4,271,194 | --- |
| Maine | 1,238,952 | 1,087,277 | --- |
| Maryland | 4,513,899 | 3,971,331 | --- |
| Massachusetts | 10,948,436 | 9,258,583 | --- |
| Michigan | 12,905,554 | 10,855,508 | --- |
| Minnesota | 6,545,192 | 5,239,729 | --- |
| Mississippi | 3,340,457 | 2,694,178 | --- |
| Missouri | 6,738,905 | 5,662,753 | --- |
| Montana | 1,239,701 | 1,040,428 | --- |
| Nebraska | 2,723,367 | 2,193,116 | --- |
| Nevada | 447,196 | 385,520 | --- |
| New Hampshire | 1,297,166 | 1,086,308 | --- |
| New Jersey | 5,457,257 | 5,698,615 | --- |
| New Mexico | 1,588,409 | 1,437,313 | --- |
| New York | 24,091,112 | 22,432,724 | --- |
| North Carolina | 6,884,175 | 6,279,063 | --- |
| North Dakota | 1,382,879 | 1,078,016 | --- |
| Ohio | 13,831,350 | 12,030,294 | --- |
| Oklahoma | 4,508,978 | 3,644,866 | --- |
| Oregon | 4,042,821 | 3,547,465 | --- |
| Pennsylvania | 14,403,982 | 12,734,913 | --- |
| Rhode Island | 1,585,811 | 1,416,562 | --- |
| South Carolina | 2,652,635 | 2,686,307 | --- |

| State or Outlying Area | 1973 Actual[1] | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| South Dakota | 1,371,891 | 1,065,431 | — |
| Tennessee | 5,387,479 | 4,642,824 | — |
| Texas | 11,777,071 | 13,953,011 | — |
| Utah | 2,192,856 | 2,706,469 | — |
| Vermont | 942,925 | 827,822 | — |
| Virginia | 4,967,186 | 4,704,236 | — |
| Washington | 5,887,086 | 5,376,065 | — |
| West Virginia | 2,714,308 | 2,138,396 | — |
| Wisconsin | 7,527,278 | 6,500,803 | — |
| Wyoming | 580,846 | 497,274 | — |
| District of Columbia | 2,244,096 | 1,949,530 | — |
| American Samoa | — | 11,196 | — |
| Canal Zone | — | 17,805 | — |
| Guam | 4,500 | 74,797 | — |
| Puerto Rico | 2,102,716 | 2,183,392 | — |
| Virgin Islands | 19,113 | 19,825 | — |
| Trust Territory | — | 4,756 | — |
| Set aside (10%) | — | 28,600,000 | — |

[1] This is amount for academic year 1973-1974 and excludes funds obligated in 1973 for academic year 1972-1973.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

State Student Incentive Grants

| State or Outlying Area | 1973 1/ Actual | 1974 2/ Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | --- | $19,000,000 | --- |
| Alabama | — | 243,156 | — |
| Alaska | — | 28,143 | — |
| Arizona | — | 253,326 | — |
| Arkansas | — | 110,410 | — |
| California | — | 2,816,324 | — |
| Colorado | — | 264,446 | — |
| Connecticut | — | 268,253 | — |
| Delaware | — | 56,842 | — |
| Florida | — | 532,664 | — |
| Georgia | — | 289,070 | — |
| Hawaii | — | 87,107 | — |
| Idaho | — | 71,924 | — |
| Illinois | — | 995,893 | — |
| Indiana | — | 412,424 | — |
| Iowa | — | 224,145 | — |
| Kansas | — | 220,844 | — |
| Kentucky | — | 221,499 | — |
| Louisiana | — | 275,167 | — |
| Maine | — | 70,745 | — |
| Maryland | — | 344,010 | — |
| Massachusetts | — | 659,184 | — |
| Michigan | — | 832,712 | — |
| Minnesota | — | 323,522 | — |
| Mississippi | — | 164,369 | — |
| Missouri | — | 386,681 | — |
| Montana | — | 57,731 | — |
| Nebraska | — | 135.248 | — |
| Nevada | — | 35,363 | — |
| New Hampshire | — | 61,834 | — |
| New Jersey | — | 493,235 | — |
| New Mexico | — | 99,292 | — |
| New York | — | 1,741,392 | — |
| North Carolina | — | 406,458 | — |
| North Dakota | — | 60,945 | — |
| Ohio | — | 799,097 | — |
| Oklahoma | — | 250,175 | — |
| Oregon | — | 252,276 | — |
| Pennsylvania | — | 879,812 | — |
| Rhode Island | — | 102,385 | — |
| South Carolina | — | 192,051 | — |

| State or Outlying Area | 1973 1/ Actual | 1974 2/ Estimate | 1975 Estimate |
|---|---|---|---|
| South Dakota | --- | 59,174 | --- |
| Tennessee | --- | 301,601 | --- |
| Texas | --- | 998,468 | --- |
| Utah | --- | 168,468 | --- |
| Vermont | --- | 52,646 | --- |
| Virginia | --- | 361,359 | --- |
| Washington | --- | 395,426 | --- |
| West Virginia | --- | 130,240 | --- |
| Wisconsin | --- | 446,027 | --- |
| Wyoming | --- | 36,141 | --- |
| District of Columbia | --- | 164,770 | --- |
| American Samoa | --- | 1,736 | --- |
| Canal Zone | --- | 6,861 | --- |
| Puerto Rico | --- | 154,293 | --- |
| Virgin Islands | --- | 3,636 | --- |

1/ 1974 is the first year for the State Student Incentive Grants.

2/ Distribution of $19,000,000 on the basis of the total enrollment in institutions of higher education, Fall 1972.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Education

Higher Education

University Community Services

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $15,000,000 | $14,250,000 | --- |
| Alabama | 262,120 | 224,653 | --- |
| Alaska | 114,224 | 111,189 | --- |
| Arizona | 183,433 | 166,562 | --- |
| Arkansas | 190,532 | 169,744 | --- |
| California | 1,039,215 | 825,180 | --- |
| Colorado | 203,898 | 181,398 | --- |
| Connecticut | 242,730 | 209,674 | --- |
| Delaware | 125,800 | 119,983 | --- |
| Florida | 419,586 | 351,128 | --- |
| Georgia | 316,036 | 266,728 | --- |
| Hawaii | 136,241 | 128,241 | --- |
| Idaho | 133,562 | 126,346 | --- |
| Illinois | 623,147 | 499,732 | --- |
| Indiana | 344,471 | 287,462 | --- |
| Iowa | 232,978 | 202,239 | --- |
| Kansas | 205,866 | 180,683 | --- |
| Kentucky | 251,536 | 217,110 | --- |
| Louisiana | 271,486 | 232,017 | --- |
| Maine | 146,773 | 136,177 | --- |
| Maryland | 284,631 | 243,242 | --- |
| Massachusetts | 367,795 | 305,979 | --- |
| Michigan | 517,760 | 421,587 | --- |
| Minnesota | 279,109 | 237,987 | --- |
| Mississippi | 204,352 | 180,433 | --- |
| Missouri | 320,170 | 268,622 | --- |
| Montana | 132,687 | 125,381 | --- |
| Nebraska | 169,844 | 153,908 | --- |
| Nevada | 123,005 | 118,231 | --- |
| New Hampshire | 134,723 | 127,097 | --- |
| New Jersey | 437,413 | 361,138 | --- |
| New Mexico | 147,824 | 137,356 | --- |
| New York | 956,257 | 755,936 | --- |
| North Carolina | 339,218 | 284,387 | --- |
| North Dakota | 129,079 | 122,450 | --- |
| Ohio | 601,402 | 483,896 | --- |
| Oklahoma | 220,467 | 192,944 | --- |
| Oregon | 198,444 | 176,465 | --- |
| Pennsylvania | 655,152 | 525,434 | --- |
| Rhode Island | 144,704 | 134,282 | --- |
| South Carolina | 221,938 | 194,124 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| South Dakota | 131,361 | 124,094 | --- |
| Tennessee | 284,715 | 242,777 | --- |
| Texas | 627,042 | 508,526 | --- |
| Utah | 149,861 | 139,144 | --- |
| Vermont | 120,934 | 116,230 | --- |
| Virginia | 318,810 | 268,730 | --- |
| Washington | 260,473 | 223,044 | --- |
| West Virginia | 182,103 | 163,202 | --- |
| Wisconsin | 307,957 | 259,900 | --- |
| Wyoming | 115,647 | 112,119 | --- |
| District of Columbia | 135,610 | 126,918 | --- |
| American Samoa | 26,278 | 25,971 | --- |
| Guam | 29,001 | 28,038 | --- |
| Puerto Rico | 152,658 | 121,949 | --- |
| Virgin Islands | 27,940 | 27,233 | --- |
| National Advisory Council | 100,000 | 150,000 | --- |
| Set Aside | --- | 1,425,000 | --- |

# DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
## Office of Education

## Higher Education

### Land-Grant Colleges and Universities

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| TOTAL | $12,700,000 | $12,200,000 | --- |
| Alabama | 231,760 | 223,402 | --- |
| Alaska | 202,786 | 202,053 | --- |
| Arizona | 216,345 | 212,043 | --- |
| Arkansas | 217,735 | 213,068 | --- |
| California | 383,994 | 335,575 | --- |
| Colorado | 220,354 | 214,998 | --- |
| Connecticut | 227,961 | 220,603 | --- |
| Delaware | 205,054 | 203,724 | --- |
| Florida | 262,608 | 246,132 | --- |
| Georgia | 242,322 | 231,185 | --- |
| Hawaii | 207,100 | 205,231 | --- |
| Idaho | 206,575 | 204,845 | --- |
| Illinois | 302,485 | 275,516 | --- |
| Indiana | 247,892 | 235,289 | --- |
| Iowa | 226,051 | 219,195 | --- |
| Kansas | 220,739 | 215,282 | --- |
| Kentucky | 229,686 | 221,874 | --- |
| Louisiana | 233,595 | 224,754 | --- |
| Maine | 209,163 | 206,752 | --- |
| Maryland | 236,170 | 226,651 | --- |
| Massachusetts | 252,462 | 238,656 | --- |
| Michigan | 281,840 | 260,304 | --- |
| Minnesota | 235,088 | 225,854 | --- |
| Mississippi | 220,443 | 215,063 | --- |
| Missouri | 243,132 | 231,781 | --- |
| Montana | 206,403 | 204,718 | --- |
| Nebraska | 213,683 | 210,082 | --- |
| Nevada | 204,507 | 203,321 | --- |
| New Hampshire | 206,802 | 205,012 | --- |
| New Jersey | 266,100 | 248,706 | --- |
| New Mexico | 209,369 | 206,903 | --- |
| New York | 367,742 | 323,600 | --- |
| North Carolina | 246,863 | 234,531 | --- |
| North Dakota | 205,697 | 204,197 | --- |
| Ohio | 298,226 | 272,377 | --- |
| Oklahoma | 223,600 | 217,389 | --- |
| Oregon | 219,285 | 214,210 | --- |
| Pennsylvania | 308,755 | 280,136 | --- |
| Rhode Island | 208,758 | 206,453 | --- |
| South Carolina | 223,888 | 217,602 | --- |

| State or Outlying Area | 1973 Actual | 1974 Estimate | 1975 Estimate |
|---|---|---|---|
| South Dakota | 206,144 | 204,527 | --- |
| Tennessee | 236,186 | 226,663 | --- |
| Texas | 303,248 | 276,078 | --- |
| Utah | 209,768 | 207,197 | --- |
| Vermont | 204,101 | 203,022 | --- |
| Virginia | 242,865 | 231,585 | --- |
| Washington | 231,437 | 223,164 | --- |
| West Virginia | 216,084 | 211,851 | --- |
| Wisconsin | 240,739 | 230,018 | --- |
| Wyoming | 203,065 | 202,259 | --- |
| District of Columbia | 206,976 | 205,140 | --- |
| Guam | 200,784 | 200,578 | --- |
| Puerto Rico | 225,009 | 218,427 | --- |
| Virgin Islands | 200,576 | 200,424 | --- |

# STUDENT LOAN INSURANCE FUND

TUESDAY, APRIL 23, 1974.

## WITNESSES

**PETER P. MUIRHEAD, DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION**

**JAMES W. MOORE, ACTING DIRECTOR, OFFICE OF GUARANTEED STUDENT LOANS**

**ALICE F. HANSEN, CHIEF, REPORT STAFF, OFFICE OF GUARANTEED STUDENT LOANS**

**CORA P. BEEBE, ACTING BUDGET OFFICER**

**JESSE E. O. BERRY, BUDGET ANALYST**

**OSCAR P. SHIELDS, BUDGET ANALYST**

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## INTRODUCTION OF WITNESSES

Mr. FLOOD. The committee will come to order.

We will begin with the student loan insurance fund. The presentation will be made by Peter P. Muirhead, the Deputy Commissioner for Postsecondary Education. We have your biographical sketch and we will put it in the record.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: Peter P. Muirhead.

Position: Deputy Commissioner for Postsecondary Education.

Birthplace and date: Ayr, Scotland, November 27, 1911.

Education: State University of New York (Albany), B.S.; University of Rochester, M.A.; Cornell University, graduate study; New York University, graduate study; Syracuse University, graduate study.

Experience—1973: Deputy Commissioner for Postsecondary Education; 1971–72: Executive Deputy Commissioner of Education; 1970: Associate Commissioner for Higher Education; 1969: Acting Deputy Commissioner of Education; 1968–69: Acting Commissioner of Education: 1968: Acting Deputy Commissioner of Education; 1965: Associate Commissioner for Higher Education; 1961–64: Assistant Commissioner of Education (program and legislative planning); 1959–61: Director, Higher Education Programs, National Defense Education Act; 1958–59: Chief, student loan program, NDEA; 1948–58: Director, New York State regents examinations and scholarship programs (New York State Education Department); 1944–48: Supervisor of secondary schools (New York State Education Department); 1937–44: Supervising principal (Henrietta, N.Y.); 1934–37: High school history teacher (Avon, N.Y.).

Association memberships: American Society for Public Administration; Foreign Policy Association; Alexandria Council on Human Relations; Alexandria Little Theater; St. Andrews Society; University of Rochester Alumni Association.

Mr. FLOOD. Do you want to introduce somebody?

Mr. MUIRHEAD. I should like to present the Director of our guaranteed student loan program, James Moore, and sitting next to him Mrs. Hansen, the Chief Report Officer for the Office of Guaranteed Student Loans. The other people have already been introduced, Mr. Chairman.

Mr. FLOOD. Do you have a prepared statement?

Mr. MUIRHEAD. I have a short prepared statement and with your permission I should like to read it.

Mr. FLOOD. Very well.

### OPENING STATEMENT

Mr. MUIRHEAD. Mr. Chairman and members of the subcommittee, I am pleased to appear before this committee to request an appropriation of $115 million for the student loan insurance fund, an increase of $26,332,000 over the fiscal year 1974 request of $88,668,000.

The guaranteed student loan program is one of the Office of Education's major student aid programs. It supports the goal of equalizing educational opportunity by helping students overcome financial barriers to a postsecondary education. Like the basic opportunity grant program, this loan program affords students the freedom to select the school of their choice and course of study they prefer. The higher education appropriation includes our request for interest subsidies, special allowances, and death and disability payments related to the loan program. The student loan insurance fund represents that part of the cost of the guaranteed student loan program which requires payments in connection with loan defaults.

Initially the fund was authorized by title IV-B of the Higher Education Act to enable the Commissioner of Education to pay claims for defaults on federally insured student loans out of insurance premiums, collections on defaulted loans, and other receipts, as well as from funds appropriated for the purpose. Subsequently, the liability of the fund was substantially increased by the Higher Education Amendments of 1968 which authorized the Commissioner to reinsure loans guaranteed by State and nonprofit private agencies at 80 percent of the principal amount of the loss incurred by the agency in meeting its obligations to lenders as a result of student defaults. No fee is charged for reinsuring these loans. The liability was again increased by the Higher Education Amendments of 1972 which provided that all federally insured loans made under the new legislation be insured for the interest due as well as the unpaid principal balance. Appropriations are required to cover the difference between receipts into the fund and the cost to the fund of default payments on both federally insured and federally reinsured loans.

The requested $115 million, together with an estimated $19 million in other receipts, will be needed to cover obligations amounting to an estimated $134 million. Claims for 76,200 loans insured directly by the Federal Government account for $80 million, while 41,500 claims by guarantee agencies against the reinsurance programs account for the other $54 million. Loans outstanding at the end of 1975 are expected to amount to more than $5½ billion. The program involves 19,000 lenders, 8,200 schools, and more than 4 million students and their families.

Our estimate of matured loans is a major element of our projection of $134 million in defaults. We estimate, separately, loans converted to repayment during a given fiscal year and loans already in repayment status. A higher rate of defaults is anticipated on loans in the year they convert to repayment status than on the older loans on which a pattern of repayment has been established. Similarly, higher rates are assumed for the Federal insurance program because of the differences in its operation compared with the State programs. The Federal insurance program, for example, permits loans by proprietary schools which are not recognized or regulated as lenders by established supervisory agencies. State agencies generally do not guarantee loans by such unregulated lenders. In addition, many of the State agency programs have varying loan maximums for different classes of students and are also reluctant to guarantee loans or encourage lenders to make loans to higher risk students. Experience reveals that the incidence of default is lower where there is a more restricted and controlled loan origination process. We have felt that being too selective in the Federal program would be inconsistent with the purpose of the program.

In preparing these expenditure estimates, we have considered preliminary default projections for the Federal insurance program prepared by the contractor who is developing the guaranteed student loan program loan estimation model. We have also contacted the major State agencies to determine what they expect to submit to the Office of Education in reinsurance claims during fiscal year 1975.

## COLLECTION EFFORT

With respect to receipts, we are planning a further expansion of our collection effort with the addition of 109 collector positions requested in the 1974 supplemental appropriation and 37 additional collectors in the 1975 appropriation request. We expect collections on defaulted loans to reach at least $15.8 million in fiscal year 1975 or an increase of $7.4 million over the estimated 1974 amount of $8.4 million. While the Office of Education has direct responsibility for recovering only those defaults that occur under the Federal insurance program, and State agences are responsible for collecting loans they guarantee, we plan to expand greatly the level of assistance and encouragement to State agencies to improve their collection programs. We are hopeful that a viable collections program, such as we are planning, will not only result in increased income for the fund but will also have a strong deterent effect on potential defaults.

## IMPROVING MANAGEMENT

We are also moving ahead in our overall objective of strengthening the administration and management of the program and of reducing the default rate. We plan to make major revisions to the regulations governing the programs and such revisions, we hope, will reduce the future magnitude of default problems and enable us to suspend, limit, or terminate the eligibility of those schools and lenders who are not properly administering the program. As a part of our effort to improve management of the program, we have consolidated all related guaranteed student loan program functions under a single project manager who reports directly to the Deputy Commissioner for Management.

Concurrently with improving operational procedures, expanding resources, and improving our forecasting capability, we are also augmenting our program of onsite review and examination of lenders, schools, and State agencies to assure that proper administrative and fiscal practices are being followed in the making, servicing, and collection of loans. These latter efforts should contribute significantly over the long run to reducing the level of defaults.

I shall be pleased to answer any questions the committee may wish to ask.

### ADEQUACY OF BUDGET REQUEST

Mr. FLOOD. As you know, the past record of this program on student loans has been terrible! The thing has grown like Topsy. Can you give us some assurance about the reliability of the 1975 estimate or should we add another $40 million or so, just so we won't bother you going through the business of another supplemental again?

Mr. MUIRHEAD. Mr. Chairman, I would hope we have gained from our experiences and from our lack of being able to forecast in our previous presentations to you. We have, I think, put in place now procedures for making a much better prediction than we did before. We have established with your good help more staff for carrying on this program. We do hope to be able to establish a much better and more effective relationship with State agencies so that they can help us make a better prediction.

I guess on balance, Mr. Chairman, I would say to you that we have high hopes that we have at last found a way to make a reasonably good prediction of what the needs are on default under this program.

### BANKRUPTCY ESCAPE ROUTE

Mr. FLOOD. I know these campuses. There are always a couple of smart boys around and they get over in the corner of the cafeteria drinking coffee and you are going to give birth to the biggest collection of 19-year-old bankrupts you ever saw in your life. They know more about it than you do downtown.

Mr. MUIRHEAD. I couldn't agree with you more, Mr. Chairman. Although the bankruptcy part of our default is very small indeed, it shouldn't be there indeed.

We are hopeful we can find some way to make enough available to make the privilege of using the bankruptcy escape route not available to students and we are investigating that.

### DEFAULT RATE

Mr. FLOOD. What is the default rate now compared to what we had last year?

Mr. MUIRHEAD. The default rate as of last June 30 compared to what we had in 1972 is about 5.7 as compared to 4.6.

Mr. FLOOD. What do you think it will be next year?

Mr. MUIRHEAD. Our projection is that it probably will rise next year and probably will rise to about 7.2 percent at the end of this fiscal year.

Mr. Flood. Then I think you better have the record show the information on the default rate for fiscal years 1973–75 and then also show us how you calculated that.

Mr. Muirhead. Yes, sir.

[The information follows:]

## Default Rate for 1973–75 With an Indication of the Method of Calculation

### ESTIMATED RATES

Estimated rates for the periods ending June 30, 1973, June 30, 1974, and June 30, 1975, are as follows:

[Dollar amounts in millions]

| | As of June 30, 1973 | As of June 30, 1974 | As of June 30, 1975 |
|---|---|---|---|
| Cumulative total loans guaranteed | $5, 832 | $6, 882 | $8, 137 |
| Estimated cumulative matured loans | $2, 300 | $3, 400 | $4, 558 |
| Percent matured | 40 | 50 | 56 |
| Cumulative default payments made to lenders | $133. 6 | $245. 0 | $395. 0 |
| Estimated default rate | 5. 7 | 7. 2 | 8. 6 |

### METHOD OF CALCULATION

The Office of Education uses estimated matured paper [defined as all loans except those in the inschool/grace period] for the computation of default ratios. The default ratio is expressed as the dollar amount [actual or estimated] of all default claims paid by the Federal Government and the various State agencies to lenders over the dollar amount of estimated matured paper.

Fully reliable information is not available on matured paper. The office has derived national estimates by using information collected (1) from lenders and guarantee agencies on the annual June 30 call report on student loans outstanding and in repayment, (2) from State agencies on loans paid in full, and (3) State agency and Federal default payments. The lack of matured paper information prevents the calculations of default rates by region, State, school, and lender. The validity of the national estimate rate is also affected. The estimated rates for 1974 and 1975 are subject to error since reliable projections of both matured paper and default payments are not available.

Mr. Flood. What did you say your projection is for future years?

Mr. Muirhead. We expect that because more loans are coming into a matured status at a faster rate than before, and our experience has been that the default is higher on new loans that are coming into repayment status than it is on loans which have been in repayment status, we must report to you in all candor we probably will have a higher rate next year. And if our projections are anywhere right it will probably come somewhere in the neighborhood of 7.2 percent for the end of this fiscal year.

Mr. Flood. Keeping in mind all of the good intentions, what is the highest default rate that you consider tolerable?

Mr. Muirhead. I don't know the answer to that, Mr. Chairman. I can only answer you that the default rate that now afflicts this program is altogether too high and that we must take every step we can to squeeze that down as much as we can, and we will I am sure always have a default rate in the guaranteed loan program. We must search out those students that are able to pay, that have jobs, and that have completed their education.

There are instances where a student may go into default for reasons that are possibly understandable. He may have not completed his education and the education may not have done him very much good and he may be out of work. But for those cases where students have had a good education and they do have a good job, we are going to use every effort we can to eliminate that type of default from the program.

### RATE OF BANKRUPTCY CLAIMS

Mr. FLOOD. How much of these loans has actually been found uncollectible because of bankruptcy? Is that getting better or getting worse?

Mr. MUIRHEAD. Of the total amount of claims, the bankruptcy runs to about 5.1 percent in the federally insured program, 2.9 percent in the State agency programs, and an overall average of 3.9 percent of all claims are for bankruptcy reasons.

I am looking for a comparison of other years and I don't have it.

Mr. FLOOD. Is it better or worse?

Mr. MUIRHEAD. We have the absolute numbers in dollars. I was giving the size of the program insofar as the overall.

Mr. FLOOD. I want to know if it is getting better or worse.

Mr. MUIRHEAD. We have under the overall program as of February 1974 a total of $7,941,000 in bankruptcy claims, and that represents a total of 6,570 loans.

### LIABILITIES RESULTING FROM CHANGES IN LEGISLATION

Mr. FLOOD. In the education amendments of 1972, what were some of the major changes affecting the liability of the fund?

Mr. MUIRHEAD. The education amendments of 1972, of course, broadened the participation in the program to include all postsecondary institutions, including collegiate and noncollegiate and proprietary and nonproprietary schools. They also increased the maximum loan, which meant that a larger loan could default.

Mr. FLOOD. Thus far how much has the liability of the fund been increased because of the changes made?

Mr. MUIRHEAD. I am not sure that we have the information to answer your question directly, but I should have responded to you also in the previous part of my answer that the amendments of 1972 also extended the Federal guarantee to include interest as well as principal. That, of course, increased the liability of the Federal Government.

Mr. FLOOD. Will the liability of the fund be significantly affected by the recent legislative changes made by H.R. 12253 in the guaranteed loan program?

Mr. MUIRHEAD. The shorthand answer to your question, Mr. Chairman, is no, the most recent changes in the act will not immediately affect the liability of the fund. It is anticipated, however, that the volume of loans will increase as a result of the legislation, and therefore, we could expect a future increase in the volume of defaults.

Mr. FLOOD. What is the projected cost impact of that legislation?

Mr. MUIRHEAD. When a similar question was asked yesterday we were here before you in support of the $315 million to pay for interest subsidy and special allowance. We then reported that the new change in the legislation probably will require $26 million more.

Dr. OTTINA. Mr. Chairman, that is divided between interest and special allowance, roughly 20.6 interest and 5.9 special allowance.

### CLAIMS RETURNED TO LENDERS

Mr. FLOOD. We may as well go back to the beginning.

How many claims have actually been returned because it was found that the lender failed to exercise due diligence in collecting loans. What about the lender?

Mr. MUIRHEAD. Let me ask if we have information on that as to whether or not we have turned back claims to the lenders.

Mr. MOORE. Yes, Mr. Chairman, we have, although not in substantial numbers. But where it is found that the lender hasn't exercised due diligence and where the claim as a matter of fact has been made, the lender is asked to repurchase the loan and reassume his obligation. Or if the claim is in process it is turned back to him and he is required to continue collection efforts.

### PAST EXPERIENCE IN COLLECTION

Mr. FLOOD. What has been your experience in collecting defaulted loans in the past?

Mr. MOORE. For every 1,100 loans that are run through the hands of a collector in a given year, 400 of them will be moved in that year back into repayment status, and of that number about 50 or 55 percent will then be paid out on a regularized monthly basis. The remainder will be paid out on a sporadic basis, that is without regular payments over a 24 to 30 to 36 month period, and a small fraction we can't identify as yet eventually will be determined to be uncollectible, and ultimately some of those will be transmitted to the General Accounting Office for their efforts.

Dr. OTTINA. As I recall in the very first contact we are experiencing about 35 percent that immediately start payment. Is that right?

Mr. MOORE. That is right. When we use the computerized letter with the student.

### INCREASE IN COLLECTIONS ON DEFAULTS

Mr. FLOOD. In the 1974 supplemental we talked about this. Do you have any reasonable cause to expect a dramatic increase in collections if Congress approves the additional collectors requested in the 1974 supplemental?

Mr. MOORE. There will be a marked increase next year in the number of accounts which can be brought back into payment status because this becomes a function of one collector equal to, as I said earlier, 400 accounts back in repayment, 10 collectors equal to 4,000 and so on.

### INCREASING INSURANCE PREMIUMS

Mr. FLOOD. Are you considering any kind of legislative changes that would relieve the Federal Government of the burden of these loan faults? What about raising the insurance premium. If you raise em from the present one-fourth of 1 percent to one-half or three-ourths of 1 percent? Wouldn't that help?

Mr. Muirhead. It would certainly increase the income to the guaranee fund. And frankly it is one of a variety of things that we are presntly considering.

Dr. Ottina. If I may add to that statement, Mr. Chairman, we considered raising that. I think that would really be counter to the philosophy of the program to make it a self-insured program, and we have been reluctant to advance that because we believe that the Federal Government does have a responsibility to share in the guarantee of the program.

Mr. Flood. Within the rule of reason?

Dr. Ottina. Within the rule of reason.

Mr. Flood. Pretty elastic.

Mr. Shriver.

Mr. Shriver. I have no questions.

COLLECTING INFORMATION ON DEFAULTERS

Mr. Conte. When you testified for the 1974 supplemental appropriation, I asked what was being done to collect information on defaulters, including such basic information as whether or not they are employed. Your statement gives no information at all on plans to begin collecting such information. Do you have any plans to do so?

Mr. Muirhead. When we testified for the 1974 Supplemental Appropriation, we indicated that we would look into ways of constructing profiles of defaulters including determining what percent of the defaulters were employed. We have this and similar information on an individual case basis in assessing the reason for default for each default claim paid. This data would include an indication from the lender as to whether repayment terms could not be established because of unemployment, marital trouble, sickness, or other such problems or whether the borrower had left the country, refused to respond, or could not be located through established skip-tracing procedures.

While this data is included in each claim file, the information has not been coded and entered into the computer system. All computer enhancements, such as would be necessary to input and systematically report this type of information on defaulters, have been frozen until the basic claims master files can be reconstructed. The reconstruction upgrade will not be finished until June 1975. The necessary staff to design a valid sample, manually review source documents, code, tabulate, and analyze the federally insured student loan defaults paid to date are simply not available. In addition, the claims files are either in process in Washington or scattered in all 10 regions for collections action. Where contact has been established with the borrower by our collectors, each file contains updated information on employment status, et cetera, as gathered by the collector in the normal course of his efforts to establish and maintain repayment. We have considered the possibility of designing a sample and procedure to aggregate and compile the information. Again, we have examined our priorities in view of our very limited existing staff, currently 26 permanent staff collectors, and determined that our primary emphasis must be devoted to curing defaulted accounts. We can assure the committee that the gathering and maintaining of the type of information you have cited is very much a function of the collection process, even though we do not have systems or personnel resources to compile summary reports of such data.

We can also state that when systems and personnel resources permit, we plan to implement this kind of reporting capability.

### GUARANTEED STUDENT LOAN ESTIMATION MODEL

Mr. CONTE. Who is the contractor for the Guaranteed Student Loan Program Estimation Model?

Mr. MUIRHEAD. The contractor for the Guaranteed Student Loan Program Estimation Model is Systems Group, Inc.

Mr. CONTE. How long has the contract been in existence?

Mr. MUIRHEAD. The contract was signed on March 1, 1973, and runs until July 31, 1974.

Mr. CONTE. How much is it for, and out of what appropriation item?

Mr. MUIRHEAD. The total contract price is $182,728 and is from the Office of Education's Planning and Evaluation funds.

Mr. CONTE. For the record, will you provide a description of the model and its present status?

Mr. MUIRHEAD. I will be pleased to do so.

[The information follows:]

### DESCRIPTION OF THE GUARANTEED STUDENT LOAN PROGRAM ESTIMATION MODEL

The loan estimation model is designed to provide annual estimates of income and expenditure for the student loan insurance fund. The major component of the estimate is for death, disability, bankruptcy, and default occurring under the federally insured and reinsured programs. Data are still being collected from State agencies for the full development of the reinsured estimating capability.

The model's estimating capability is based upon extensive analyses of application data from a 20 percent sample of over 5 million loan records. These analyses were used to determine correlations between many different borrower, lender, and school variables and incidence of default. Those variables having the greatest correlative or, "predictive" value were then used in a mathematical projection model which takes account of the patterns of time over which claims are presented. The model then projects the expected volume of federally insured claims during future 1-, 2-, and 3-year periods. Such projections assume that borrower repayment behavior will not be significantly different in the immediate future than in the immediate past. The model can, however, be adjusted quarterly to reflect new data.

The initial model development is scheduled to be completed by July 31, exclusive of personnel training and technical adaptations for budget formats. Further developmeital efforts will continue through the fall. Refinement of the model will be an ongoing process.

### REVIEWING LENDERS

Mr. CONTE. What is the status of onsite reviews of lenders, schools, and State agencies?

Mr. MUIRHEAD. We expect to complete 815 program reviews of lenders and schools during this current fiscal year. We are also examining State agencies and have completed reviews of all State agency programs during the past 16 months. With the addition of the field examiner staff requested in the 1974 supplemental appropriation and the 1975 appropriation, we expect to conduct approximately 3,200 lender and school program reviews during the next fiscal year, as well as examinations of all the State agencies.

Mr. CONTE. Are you giving any priority to reviewing first unregulated lenders?

Mr. MUIRHEAD. We are giving first priority to reviewing unregulated lenders in our program of onsite examinations. High volume and/or high default lenders and schools are also being reviewed on a priority basis.

Mr. CONTE. What is the projected default rate for unregulated lenders?

Mr. MUIRHEAD. We do not have a projected default rate for unregulated lenders, nor do we have, at this time, a current default rate for this or other categories of lenders. Calculation of a default rate is dependent on the aggregation of matured loan and default payment data in the computer system. Lenders are required to report on loans as they enter matured status and the sum total of these loans becomes the denominator in calculating a default rate.

Lender reporting of matured loans has been incomplete and untimely but our program review process is contributing to great improvement in this area, particularly for the unregulated lenders. The numerator of the default rate (defaults paid) is contained in a separate computer subsystem which must be matched to the appropriate lender and matured loan data in the computer master file. We have had systems problems which have resulted in significant unknowns or nonmatching of default payments to the proper lender for the purposes of calculating default rates. Certain systems improvements are under way to correct this problem. Until both the reporting and internal computer problems are resolved, we will not have the capability of calculating or projecting reliable default rates for unregulated lenders.

## HIGH-RISK BORROWER

Mr. CONTE. What is your definition of a high-risk borrower? Are you able yet to test that definition against actual defaults?

Mr. MUIRHEAD. Defining a high-risk borrower is a very complex issue and we have not yet been able to come up with a satisfactory definition. On the one hand, a major objective of the guaranteed student loan program is to assure wide student accessibility to necessary loan funds to finance a portion of the costs of postsecondary education. On the other side, we are committed to reducing the incidence of defaults. In many respects, these two objectives are conflicting in that if we were able to precisely identify potential high-risk borrowers and then introduce strict borrower selection criteria into the program, we could be in conflict with the basic program objective of assuring wide loan accessibility. Although we do not have definitive data on the characteristics of our defaulters or high-risk borrowers, preliminary data obtained from the contractor who is developing the estimation model indicates that defaults on federally insured loans are most correlated with the type of institution attended rather than on borrower characteristics. More definitive data on this subject as well as detailed data on borrower characteristics should be available sometime this summer.

We also have indications that a primary causal factor in determining whether or not a borrower will ultimately default depends not directly on the characteristics of the borrower but rather on the way in which he first obtains a loan. For example, the practices of some lending institutions and schools in the loan placement process impact the default problem. The quality and type of borrower counseling, indiscriminate recruitment practices, failure to make appropriate or timely refunds for students who have withdrawn from school, school closings—all contribute to the disillusionment of students and their unwillingness to repay loans. Our proposed regulations are designed to address these and other practices and should do much to eliminate program abuses.

### REVISIONS IN PROPOSED REGULATIONS

Mr. CONTE. What are the major changes to be made in the proposed regulation revisions you're working on? When will we have the proposed revisions?

Mr. MUIRHEAD. The proposed revisions to the regulations governing the guaranteed student loan program are designed to reduce the default rate and to improve the overall administration of the guaranteed student loan program. I'd like to furnish those for the record.

[The information follows:]

The following includes the major changes to existing regulations.

First, we are proposing the following regulations affecting educational institutions:

Criteria for approval of schools and other nonregulated entities (State agencies, pension funds, insurance companies, et cetera) as lenders for federally insured loans.

Requirement that schools make tuition refunds on a timely basis.

Criteria for leave of absence policies to be followed by educational institutions.

Reporting requirements and record retention by educational institutions.

Requirement that schools make certain records available for inspection.

Clarification of when a home study student is considered to be withdrawn from school.

Provision for suspension, limitation and termination of educational institutions that do not comply with program regulations.

Second, we are proposing the following regulations affecting lending institutions:

Clarification that default claims will be rejected where care and diligence has not been performed in the making and collecting of loans.

Requirement that lenders either interview or have written contact with prospective student borrowers prior to the loan being made.

Clarification of collection requirements for loans originated by school/lenders.

Clarification of loan disbursement procedures.

Suspension, limitation and termination of lenders that do not comply with Federal regulations.

Other changes of a less significant nature will be made based upon program experience. These revisions will actually result in a total rewrite of the regulations governing the guaranteed student loan program. They will initially be published as proposed rules early this summer. The public will have 30 days to submit comments before final regulations will be issued.

### DEFAULT RATE OF THE UNITED STUDENT AID FUND

Mr. Conte. What is the projected default rate for programs operated by the United Student Aid Funds?

Mr. Muirhead. The default rate reported by the United Student Aid Funds as of March 31, 1974 was 6.12. The projected rate for the end of calendar years 1974 and 1975 is 6.0.

Mr. Flood. Thank you very much.

Student Loan Insurance Fund

Amounts Available for Obligation

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $57,883,000 | $115,000,000 |
| Proposed Supplemental | 30,785,000 | --- |
| Subtotal, adjusted appropriation | 88,668,000 | 115,000,000 |
| Receipts and reimbursements from: | | |
| Non-Federal sources: | | |
| Insurance premiums | 2,700,000 | 3,200,000 |
| Interest income | 2,800,000 | 3,900,000 |
| Loans repaid | 8,400,000 | 15,800,000 |
| Unobligated balance, start of year | 13,336,000 | 6,904,000 |
| Unobligated balance, end of year | -6,904,000 | -10,804,000 |
| Repayment of 1973 borrowing authority | -15,000,000 | --- |
| Total, obligations | 94,000,000 | 134,000,000 |
| Portion of 1973 borrowing authority repaid from 1974 appropriations | 8,686,000 | --- |
| Total funding level | 102,686,000 | 134,000,000 |

Summary of Changes

| | |
|---|---|
| 1974 revised estimated obligations | $94,000,000 |
| 1975 estimated obligations | 134,000,000 |
| Change in obligations | 40,000,000 |
| Less: 1974 funds used to repay prior years borrowing authority | -8,686,000 |
| Net change in funding level | 31,314,000 |

| | Base | Change from Base |
|---|---|---|
| Increases: | | |
| A. Built-in: | | |
| 1. Federal insurance program | $ 53,000,000 | $ +27,000,000 |
| 2. Federal reinsurance program | 41,000,000 | +13,000,000 |
| Change in obligations | 94,000,000 | +40,000,000 |
| Funds required to repay prior year borrowing | 8,686,000 | - 8,686,000 |
| Change in funding level | 102,686,000 | +31,314,000 |

## Explanation of Changes

Obligations for payments in connection with defaults under the Student Loan Insurance Fund are estimated at $134,000,000 for fiscal year 1975, an increase of $40,000,000 over the 1974 estimated level of $94,000,000. This $134,000,000 would be funded from income and receipts into the fund of $19,000,000 and appropriation request of $115,000,000. On an appropriated basis, the 1975 request of $115,000,000 represents an increase of $26,332,000 over the 1974 level at $88,668,000. The $88,668,000 consists of $57,883,000 requested in the 1974 regular budget and a proposal supplemental request of $30,785,000.

On a total funding level basis, the 1975 requested appropriation represents an actual increase of $35,018,000 over the appropriation needed to pay 1974 claims. This is because the 1974 appropriation request of $88,668,000 included $8,686,000 to repay for 1973 borrowing authority, leaving a balance of $79,982,000 for 1974 claims. Thus, the 1975 amount, $115,000,000, represents an increase of $35,018,000 over the $79,982,000 required for 1974 claims.

### Obligations by Activity

| Page Ref. | | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| | Payment in connection with defaults on student loans: | | | |
| 103 | (a) Federal insurance program... | $ 53,000,000 | $ 80,000,000 | $+27,000,000 |
| 106 | (b) Federal reinsurance program. | 41,000,000 | 54,000,000 | +13,000,000 |
| | Total obligations................ | 94,000,000 | 134,000,000 | +40,000,000 |

### Obligations by Object

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Investments and loans............... | $ 88,200,000 | $129,510,000 | $+41,310,000 |
| Insurance claims and indemnities.... | 3,800,000 | 4,490,000 | + 690,000 |
| Interest and dividends.............. | 2,000,000 | — | - 2,000,000 |
| Total obligations by object......... | 94,000,000 | 134,000,000 | +40,000,000 |

## Authorizing Legislation

| Legislation | 1975 | |
|---|---|---|
| | Authorized | Appropriation requested |
| Higher Education Act: | | |
| Title IV-B, Sections 421 and 428-431--Student Loan Insurance Fund............................ | Indefinite | $115,000,000 |

## GUARANTEED STUDENT LOAN PROGRAM

### Student Loan Insurance Fund

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1966 | $ 550,000 | $ 550,000 | $ 550,000 | $ 550,000 |
| 1967 | 3,200,000 | 3,200,000 | 3,200,000 | 3,200,000 |
| 1968 | --- | --- | --- | --- |
| 1969 | --- | --- | --- | --- |
| 1970 | 10,826,000 | 10,826,000 | 10,826,000 | 10,826,000 |
| 1971 | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 |
| 1972 | 12,765,000 | 12,765,000 | 12,765,000 | 12,765,000 |
| 1973 | 46,640,000 | 46,640,000 | 46,640,000 | 46,640,000 |
| 1974 | 57,883,000 | 57,883,000 | 57,883,000 | 57,883,000 |
| 1974 proposed supplemental | 30,785,000 | | | |
| 1975 | 115,000,000 | | | |

## Justification

## Student Loan Insurance Fund

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Federal Insurance Program: | | | |
| Obligations...................... | 53,000,000 | 80,000,000 | +27,000,000 |
| Repayment of 1973 Borrowing Authority...................... | 7,800,000 | --- | -7,800,000 |
| Available receipts and carryover.. | -17,132,000 | -12,650,000 | +4,482,000 |
| Subtotal, Budget authority..... | 43,668,000 | 67,350,000 | +23,682,000 |
| Federal Reinsurance Program: | | | |
| Obligations...................... | 41,000,000 | 54,000,000 | +13,000,000 |
| Repayment of 1973 Borrowing Authority...................... | 7,200,000 | --- | -7,200,000 |
| Available receipts and carryover.. | - 3,200,000 | -6,350,000 | -3,150,000 |
| Subtotal, Budget authority..... | 45,000,000 | 47,650,000 | +2,650,000 |
| Total: | | | |
| Obligations.................. | 94,000,000 | 134,000,000 | +40,000,000 |
| Budget authority (appropriation)............ | 88,668,000 | 115,000,000 | +26,332,000 |

## General Statement

An appropriation of $115,000,000 is requested for the Student Loan Insurance Fund to cover default payments in fiscal year 1975. The Student Loan Insurance Fund was established under the Guaranteed Student Loan Program to enable the Commissioner to pay defaults out of insurance premiums, defaulted loan payments, and other receipts, as well as from amounts appropriated for this purpose. Appropriations are made to cover default payments on both Federally insured and Federally reinsured loans.

The request for Federal interest subsidies, special allowances and death and disability payments on these loans--the major appropriation item--is presented and justified to the Congress under the appropriation account for "Higher Education." Requirements for staffing, and computer services, are included in the Salaries and Expense account.

Following for the purpose of background information is a summary of the authority, purposes, operation and scope of the student loan program as a whole.

## Authority and Purpose:

Title IV, Part B of the Higher Education Act of 1965 (P.L. 89-329), authorizes a program of low interest, deferred repayment loans, utilizing private capital, to help students finance their postsecondary education. The law authorizes Federal payments to reduce student interest costs and special allowances paid to lenders as warranted by money market conditions (provided under the Emergency Insured Student Loan Act of 1969 P.L. 91-95). The program includes loans made by States, insured directly by the Federal Government, and loans guaranteed by State and nonprofit private agencies. Most of these latter loans are reinsured up to 80 percent by the Federal Government.

The law also establishes a Student Loan Insurance Fund, from which defaults are paid and into which appropriations related to defaults and other receipts are deposited.

The Fund enables the Commissioner of Education, without fiscal year limitation, to make payments on upaid principal amounts defaulted by student borrowers under the Federal Insured Student Loan Program. The liability of the fund was substantially increased by the Higher Education Amendments of 1968, which authorized the Commissioner to reinsure loans guaranteed by state and non profit private agencies to the extent of 80 percent of the principal amount of default. The liability of the fund was further increased by the Education Amendments of 1972 which provides for payment of the unpaid balance of interest as well as principal in the case of defaulted federally insured loans, made under the provisions of the Amendments.

## Scope of the Program:

By the end of fiscal year 1975, it is expected that loan commitments totaling $8,100,000,000 will have been made to students under this program. More than $1,255,000,000 will have been made in Fiscal Year 1975 alone. There are over 19,000 lenders and 8,200 educational institutions--here and abroad--which are eligible for students to attend under the Guaranteed Student Loan Program.

Measured by income category, race and sex of borrowers, the program serves a diverse population. In fiscal year 1972, 28.0 percent were from families with gross incomes of less than $6,000, while 35.8 percent were from families with gross incomes of $12,000 and over. Over 21 percent of the borrowers were from minority groups. Blacks accounted for 17 percent of all borrowers. Over 21 percent of the loans were made to students attending non-degree granting vocational institutions, with most of these made under the Federally insured part of the program.

## Program Operations:

The principal of the student loan is provided by participating lending institutions such as commercial banks, savings and loan associations, credit unions, insurance companies, pension funds, and eligible educational institutions. Twenty-six State or nonprofit agencies and the District of Columbia administer their own guaranteed loan program. The agencies may contract with the Commissioner of Education, to reinsure 80 percent of the principal amount of the loss incurred by the agency in meeting its obligation to lenders on guaranteed loans in default. No fee is charged for the reinsurance.

The Federally Insured Student Loan Program operates in the remaining states. In addition, the Act authorizes Federal insurance for lenders operating on an interstate basis for students who by virtue of their residency do not have access to a State program. Under the Federal program, the Commissioner will insure the lender for 100 percent of the principal outstanding at the time the loan enters into default. Loans made under the provisions of the Education Amendments of 1972 are insured for 100 percent of the unpaid principal balance plus interest. The insurance premium charged is one quarter of one-percent of the amount disbursed to the lender (who may pass it on to the borrower). The fee is paid for the anticipated in-school and 12 months grace period.

While the student is in school, during the maximum 12-month grace period, and during periods of authorized deferment, the Federal Government pays the total interest up to the maximum 7 percent on loans that qualify for such a subsidy.

Through February 28, 1973, students whose adjusted family income was less than $15,000 per year qualified for the subsidy. Under the Education Amendments of 1972 (P.L. 92-318) which became effective March 1, 1973, students apply for Federal interest benefits by submitting, to the lender a recommendation by the educational institution as to the amount needed by the student to meet his educational costs.

A special allowance is authorized to be paid to lenders when the Secretary of Health, Education, and Welfare, in consultation with the Secretary of the Treasury, and the Director of OMB, determines that economic conditions are impeding or threatening to impede the fulfillment of the purposes of the program or that the return to the lender is less than equitable. The rate may not exceed three percent per annum on the average quarterly unpaid principal balance of loans made after August 1, 1969, whether or not the loan qualified for Federal interest benefits.

The Education Amendments of 1972 (P.L. 92-318) increased the maximum loan available to qualified undergraduate and graduate borrowers per academic year from $1,500 to $2,500. The maximum total loans outstanding for graduate students was increased from $7,500 to $10,000, including loans made at the undergraduate level.

Applications for student loans may be obtained from lenders, schools, regional offices of the Office of Education or State or private nonprofit guarantee agencies. The school must complete a portion of this application certifying the amount of loan needed by the student and verifying the student's enrollment, his costs and academic standing. If the lender agrees to make the loan, approval must be obtained by the appropriate guarantor.

Any student may apply who has been accepted for enrollment in an eligible school or who is already in attendance and in good standing, and who is a citizen or national of the United States or, except for foreign study, is in the United States for other than a temporary purpose. In most states, half-time students are eligible, but some state agency programs require full-time attendance. Residency requirements also vary in some states.

Other information relevant to this program is shown under the Higher Education appropriation.

## Federal Insurance Program

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Federal Insurance Program: | | | |
| Obligations.................... | $53,000,000 | $80,000,000 | $27,000,000 |
| Repayment of 1973 Borrowing Authority...................... | 7,800,000 | --- | -7,800,000 |
| Available receipts and carryover.. | -17,132,000 | -12,650,000 | +4,482,000 |
| Total, Budget authority...... | 43,668,000 | 67,350,000 | +23,682,000 |

### Narrative

Under the Higher Education Act of 1965, the Office of Education is authorized to provide a program of Federal loan insurance for students and lenders who do not have reasonable access to State or private nonprofit guarantee agency programs. Upon default of student borrowers, the Office of Education is authorized to pay the beneficiary 100 percent of the principal amount of the loss. The Education Amendments of 1972 also provide that all Federally insured loans made under the new legislation are insured 100 percent of the unpaid principal balance plus interest, whether or not the loan qualified for Federal interest benefits. In the event of death or total and permanent disability, the Commissioner discharges the borrower's libility by paying the lender the total amount owed. The law also authorizes the Commissioner of Education to charge an insurance premium of up to one-fourth of one percent per year on the unpaid principal amount of loans insured under this program.

Scope of the Program:

The Higher Education Act of 1965 originally placed emphasis for insuring a loan on State and private nonprofit agencies. The Federal program of insurance was provided on a stand-by basis in the event that the State or private nonprofit agencies were unable to provide adequate coverage. Today, the Federal Insurance Program is operating in 26 States, Puerto Rico, and Trust Territories of the Pacific. By the end of fiscal year 1975 approximately $3,700,000,000 in loans will have been insured under the Federal Program -- approximately 50 percent of all loans insured under the Guaranteed Student Loan Program.

Operation of the Program - Collection Efforts:

The lender must exercise reasonable care and diligence both in the making and collection of loans. In the event the borrower dies or becomes totally and permanently disabled, the government reimburses the lender for the total amount owed. No subsequent efforts are made to recover these losses either from the borrower or his estate. In the event of bankruptcy, limited efforts are made first by the lending institution and then by the Office of Education to obtain reaffirmation of the debt and some borrowers have reaffirmed their debt after discharge in bankruptcy. However, in the event the borrower defaults on his obligation, other than described above, the lender is required to make all reasonable efforts to effect collection before filing a claim with the government for reimbursement of his loss. If it is determined that the lender has not exercised such diligence, the claim is returned for further effort or in some cases, ruled ineligible for payment due to lender negligence. The government provides lenders with preclaim assistance which has resulted in many delinquent accounts being returned to good standing.

## Fiscal Year 1975 Estimate

For the Federal Insurance Program, an appropriation of $67,350,000 is requested. This amount represents an increase of $23,682,000 above the 1974 request of $43,668,000.

Fiscal year 1973 was the first year in which substantial numbers of defaults under the Federal Insurance Program were received and paid. Therefore, an adequate experience factor has not been available for estimating the rate of default on the amount of loans entering or in repayment. However, the increased number of claims received in 1973 together with claims received in 1974 have provided a better base for estimating future default rates. In addition data has been incomplete on matured loans because of lender reporting problems. A corresponding lack of experience existed in predicting with accuracy the rate of recovery on defaulted loans since the collection program is relatively new. While efforts are underway to improve estimates in each of these areas, additional funds are required to cover fiscal year 1975 costs. The reasons for the increased estimates are discussed below.

The Office of Education is making major efforts to reduce the future default level and increase the recoveries on defaulted loans. For these purposes an increase in staff in fiscal year 1975 has been requested under the Salaries and Expenses appropriation account.

### Obligations--Estimate of Claims on Defaulted Loans

Payments in connection with claims on defaulted student loans are expected to total $80,000,000 in 1975, an increase of $27,000,000 over the 1974 estimate of $53,000,000.

The 1975 projection is based on two categories of repayments--those loans converting to repayment during the fiscal year and those loans already in repayment status from prior years. Increased numbers of claims received by the Office of Education through the first part of fiscal year 1974 as well as studies made by selected guarantee agencies suggest that the rate of defaults on loans going into repayment will increase from 7.5 percent to 10.0 percent and the rate of defaults on loans already in repayment status will increase from 2.5 percent to 3.0 percent. These revised rates were applied to the estimated amount of conversions and loans outstanding in repayment.

The estimating rates for conversions in the Federal program are higher than those anticipated for State and nonprofit private agency phases of the program. Differences in the relative management resources available and the operations of the two parts of the Guaranteed Student Loan Program have been partially responsible for this difference. The Federal program operates on an interstate basis and includes lenders who are not supervised by established supervisory agencies (Federal Reserve, FDIC, etc.). State agency activities are, for the most part, restricted to a given state area and do not permit unsupervised lenders such as proprietary schools to make student loans. In addition, loans to proprietary school students account for a large share of the total Federal program volume beginning in fiscal year 1972. Experience to date suggests that there is a greater incidence of default for such loans. The State agencies have guaranteed relatively few loans to this category of students.

Another reason for the difference between "default rates" for the Federal program versus guarantee agency programs is that in the Federal program, the figures represent total claims received from lenders for defaults; whereas, in the case of the guarantee agencies, the figures are not claims received, but are the net after the agencies and lenders have made further collection efforts.

Receipts and Carryover:

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Loans repaid (collections on defaulted loans)............................ | $ 5,200,000 | $ 9,700,000 | $+4,500,000 |
| Insurance premiums.................... | 2,700,000 | 3,200,000 | + 500,000 |
| Interest income on defaulted loans.... | 1,600,000 | 2,223,000 | + 623,000 |
| Carryover balance available........... | 11,764,000 | 4,132,000 | -7,632,000 |
| Carryover balance not available....... | -4,132,000 | -6,605,000 | -2,473,000 |
| Available receipts and carryover... | 17,132,000 | 12,650,000 | -4,482,000 |

Collections on Defaulted Loans--The 1975 estimate includes increases in collections on defaulted loans of $4.5 million over the level estimated for 1974. Total collections of $9.7 million assumes a recovery rate of ten percent of the total default dollars (approximately $98 million) outstanding at the beginning of fiscal year 1975. The collections estimate is based on collections staff plans for fiscal year 1975 and on the anticipated number of accounts which each collector can convert to regular payment. A staff of 70 collectors will be in the field and working as of July 1, 1974. This staff will be expanded by 30 as of the end of September, and an additional 35 by December 31, 1974. A collector is expected to convert an average of 33 default accounts per month into regularly paying accounts. A cured account is estimated to result in $30.00 per month or $360.00 per year. The goal of $9.7 million assumes that the full collections staff will be performing at these rates for the last half of fiscal year 1975. On-going accounts established prior to July 1, 1974 and anticipated conversions should yield a total of $9.7 million.

Insurance Premiums--An increase of $500,000 is included for insurance premiums for a total of $3,200,000 compared to the 1974 estimate of $2,700,000. The Higher Education Act authorizes the charge of an insurance premium in the amount of one-fourth of one percent per annum. The premiums are actually collected in advance for the interim period which can run for five years and the average insurance premium is $6.50. The $6.50 rate is applied to 500,000 new loans to arrive at $3,200,000 in premium income.

Interest Income--For interest income on defaulted loans, an increase of $623,000 is estimated for a total of $2,223,000 compared to the 1974 estimate of $1,600,000 since more loans are in default. Interest income is estimated by applying an average rate of 6.0 percent to defaulted loans paid by the Office of Education and outstanding at the beginning of fiscal year 1975, $98 million less collections in 1975 of $9.7 million. Thus, approximately $88 million would be subject to interest for a total of approximately $5.0 million. Based on experience, this amount is further adjusted by assuming that 45 percent of the interest will be collected by the Office of Education and that 55 percent will be written off as uncollectable. Thus only $2.2 million of the $5 million is included in the estimates. The 6% rate is used for older loans and will increase to 7% during fiscal year 1975. Interest due the Federal government on defaulted loans is estimated as it accrues and is shown as income in the Student Loan Insurance Fund even though the interest will not be available to meet Fund obligations until defaulted loans-- principal and interest--are collected.

Carryover Balance--The carryover balance at the end of the year consists of accrued but uncollected interest income on defaulted loans and accrued uncollected insurance premiums. Such amounts are not available for obligation until received and therefore have no effect on the budget request. Accrued interest in 1975, $2,223,000 less $50,000 collected, along with insurance premiums, $3,200,000 less $2,900,000 collected, increased the carryover balance by $2,473,000 (from $4,132,000 to $6,605,000).

## Federal Reinsurance Program

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Federal Reinsurance Program: | | | |
| Obligations........................ | $41,000,000 | $54,000,000 | $+13,000,000 |
| Repayment of 1973 Borrowing Authority........................ | 7,200,000 | --- | - 7,200,000 |
| Available receipts and carryover... | -3,200,000 | -6,350,000 | - 3,150,000 |
| Total, Budget Authority......... | 45,000,000 | 47,650,000 | + 2,650,000 |

### Narrative

**Authority and Purpose:**

The Higher Education Amendments of 1968 authorized the Office of Education to reinsure loans guaranteed by State and nonprofit private agencies to the extent of 80 percent of the principal amount of the loss incurred by the agency in meeting its obligation to lenders as a result of default by student borrowers. One of the principal purposes of this amendment was to substitute Federal credit in lieu of further advances to the States pursuant to Section 422 of the Act. The effect of the 80 percent reinsurance is to increase the guarantee capacity of the agency by a factor of five.

**Scope of the Program:**

Twenty-four states, the District of Columbia and the United Student Aid Funds, Inc, currently have agreements to guarantee student loans. Twenty-one of these agencies operate their programs directly; five have contracted with United Student Aid Funds, Inc., a private nonprofit agency, to administer their programs. Reinsurance agreements are currently effective in 24 states and the District of columbia. Loans guaranteed under the state of Virginia or United Student Aid Funds are not subject to reinsurance. By the end of fiscal year 1975, nearly $4.0 billion in loans will have been made which are covered under the Federal Reinsurance Program -- approximately 50 percent of all loans made under the Guaranteed Student Loan Program. An additional $488 million -- or about 10 percent of all loans will have been guaranteed by state agencies, but not reinsured by the Federal Government. The law authorizes the Office of Education to pay interest benefits on behalf of eligible students.

**Operation of the Program - Collection Efforts:**

In the case of loans guaranteed by State and nonprofit private agencies, the guarantee agency requires diligent collection efforts on the part of the lender prior to paying claims. After default the agency has the responsibility to recover the loss. Eighty percent of the payments made by defaulted borrowers to the agency are returned to the Federal Government. The Federal Government has no direct responsibility for making collections. The agreement providing for reinsurance of guaranteed loans includes standards to be met by the guarantee agency. Program reviews are conducted to assure that they are conducting their business according to the Office of Education's agreement with them.

## Fiscal Year 1975 Request

For the Federal Reinsurance Program, an appropriation of $47,650,000 is requested. This amount represents an increase of $2,650,000 over the 1974 estimate of $45,000,000.

Although the State and private non-profit agency programs have been in existence longer than the Federal Insurance Program, the same general problems exist in estimating the amount of defaults (nature of the program, etc.). Because of the differences in operations and constituency served in the reinsured program described in detail in the statement on the Federal Insurance Program, the rates used in projecting reinsured defaults are assumed to be slightly lower. In addition, estimating under the reinsurance program is further complicated since some agencies do not request reimbursement on every defaulted loan. Experience through fiscal year 1973 suggested that there is also a considerable lag between time of default and agency filing for reinsurance payments. Recoveries under this phase of the program are also difficult to estimate since the collection efforts among the agencies varies in level of sophistication.

### Obligations - Estimate of Claims on Defaulted Loans:

Payments in connection with claims on reinsured loans are expected to total $54,000,000 in 1975, an increase of about $13,000,000 over the 1974 estimate of $41,000,000. Based on studies made by guarantee agencies and actual experience this year, 1975 default rates on newly converting loans are expected to increase from 6.0 percent to 7.0 percent and from 2.5 percent to 3.5 percent on loans already in repayment status.

### Receipts and Carryover:

| | 1974 Revised | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Loans repaid (collections on defaulted loans).................... | $ 3,200,000 | $ 6,100,000 | $ +2,900,000 |
| Interest income on defaulted loans... | 1,200,000 | 1,677,000 | + 477,000 |
| Carryover balance available.......... | 1,572,000 | 2,772,000 | +1,200,000 |
| Carryover balance not available...... | -2,772,000 | -4,199,000 | -1,427,000 |
| Total receipts and carryover..... | 3,200,000 | 6,350,000 | +3,150,000 |

Collections on Defaulted Loans--The 1975 estimate includes increases in collections on defaulted loans of $2.9 million over the 1974 level of $3.2 million. The assumed percentage of recovery on default dollars outstanding (approximately 69 million) at the beginning of fiscal year 1974 is the same rate (10 percent) used for the Federal collections estimate. The rate will vary, however, among the agencies. Eighty percent of all defaults collected become available as income to the Student Loan Insurance Fund. The collections estimate has been adjusted to reflect the net eighty percent figure.

Interest Income--For interest income, an increase of $477,000 is estimated for a total of $1,677,000 compared to the 1974 estimate of $1,572,000. Interest income is estimated by applying an average rate of 6.0 percent to defaulted loans paid by the Office of Education and outstanding at the beginning of fiscal year 1975, $69 million, less collections in 1975 of $6.1 million. Thus, approximately $62 million would be subject to interest for a total of approximately $3.7 million. Based on experience, this amount is further adjusted by assuming that 45 percent of the interest will be collected by the Office of Education and that 55 percent would be written off as uncollectable. Thus only $1.7 million of the $3.7 million is included in the estimates. The 6 percent rate is used for older loans and will increase to 7 percent during fiscal year 1975. As explained earlier, this income will become available in future years.

Carryover Balance--As explained earlier, the changes reflected in interest income and carryover balances represent accrued interest income on defaulted loans. The $1,677,000 of interest income plus the beginning balance of $2,772,000 less collections of $250,000 leave a balance at the end of 1975 of $4,199,000. The collection of such interest will be made only after the defaulted loan has been paid in full. Therefore, these items have no effect on current budget requirements, but will be available in future years.

## OFFICE OF EDUCATION

## GUARANTEED STUDENT LOAN PROGRAM

### Student Loan Insurance Fund

### Program Purpose and Accomplishments

Activity: Payments in connection with defaults on Student Loans

|  | 1975 |  |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ 88,668,000 | Indefinite | $ 115,000,000 |

Purpose: The fund was established under the authority of the Higher Education Act of 1965 to enable the Commissioner of Education to make payments on defaults by student borrowers under the Federally Insured Student Loan Program. The liability of the fund was substantially increased by the Higher Education Amendment of 1968 which authorized the Commissioner to reinsure loans guaranteed by States and nonprofit private agencies at 80 percent of default.

Explanation: To make available to the Commissioner, without fiscal year limitation, funds for payments in connection with default of insured and reinsured loans by student borrowers.

Accomplishments in 1974: In fiscal year 1974 an appropriation of $88,668,000 along with receipts into the fund of $14,018,000 provided total funds of $102,686,000. This amount supported obligations of $94,000,000 and $8,686,000 for repaying 1973 borrowing authority.

Objectives for 1975: Obligation for payments in connection with defaults are estimated at $134,000,000. This amount represents an increase of $40,000,000 over the 1974 level of $94,000,000. This amount would be funded by income and other receipts into the fund of $19,000,000 and an appropriation of $115,000,000.

## GUARANTEED STUDENT LOAN PROGRAM

### Gross Loans Insured and Guaranteed
(Dollars in Thousands)

| | 1972 | 1973 | 1974 | 1975 |
|---|---|---|---|---|
| **Amount of Loans:** | | | | |
| Federally insured ............. | $1,830,013 | $2,484,629 | $3,014,629 | $3,649,629 |
| Guarantee agencies............. | 2,803,674 | 3,347,581 | 3,867,581 | 4,487,581 |
| Total..................... | $4,633,687 | $5,832,210 | $6,882,210 | $8,137,210 |
| **Number of Loans:** | | | | |
| Federally insured.............. | 1,875,435 | 2,474,520 | 2,934,520 | 3,440,520 |
| Guarantee agencies............. | 3,065,381 | 3,554,582 | 3,984,582 | 4,457,582 |
| Total..................... | 4,940,816 | 6,029,102 | 6,919,102 | 7,898,102 |
| AVERAGE LOAN.................... | $1,036 | $1,101 | $1,179 | $1,281 |

### Data on Claims
(Dollars in Thousands)

| | Federally Insured | | Guaranteed-Reinsured | | TOTAL | |
|---|---|---|---|---|---|---|
| | No. | Amount | No. | Amount | No. | Amount |
| Fiscal Years 1968-1970.......... | 2,504 | $ 2,082 | 3,882 | $ 3,107 | 6,386 | $ 5,189 |
| Fiscal Year 1971................ | 8,854 | 8,042 | 9,324 | 7,916 | 18,178 | 15,958 |
| Fiscal Year 1972................ | 19,327 | 18,554 | 14,164 | 12,153 | 33,491 | 30,707 |
| Fiscal Year 1973 est. .......... | 43,045 | 41,324 | 19,537 | 22,859 | 62,582 | 64,183 |
| Fiscal Year 1974 est. .......... | 52,000 | 52,000 | 32,000 | 40,000 | 84,000 | 92,000 |
| Fiscal Year 1975 est. .......... | 76,190 | 80,000 | 41,538 | 54,000 | 117,728 | 134,000 |
| TOTAL..................... | 201,920 | $202,002 | 120,445 | $140,035 | 322,365 | $342,037 |

**Average Claim**

| | | | |
|---|---|---|---|
| Fiscal Years 1968-1970 ............ | 831 | 800 | 812 |
| Fiscal Year 1971................... | 908 | 848 | 877 |
| Fiscal Year 1972................... | 960 | 858 | 888 |
| Fiscal Year 1973 est .............. | 960 | 1,170 | 1,078 |
| Fiscal Year 1974 est .............. | 1,000 | 1,250 | 1,025 |
| Fiscal Year 1975 est .............. | 1,050 | 1,300 | 1,063 |

TUESDAY, APRIL 23, 1974.

# HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

## WITNESSES

**PETER P. MUIRHEAD, DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**S. W. HERRELL, ACTING ASSISTANT DEPUTY COMMISSIONER FOR POSTSECONDARY EDUCATION**

**WILLIAM J. BAREFOOT, JR., EXECUTIVE OFFICER, BUREAU OF POSTSECONDARY EDUCATION**

**CORA P. BEEBE, ACTING BUDGET OFFICER**

**JESSE E. O. BERRY, BUDGET ANALYST**

**OSCAR P. SHIELDS, BUDGET ANALYST**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

### INTRODUCTION OF WITNESSES

Mr. FLOOD. Now we have the Higher Education Facilities Loan and Insurance Fund.

The presentation will be made again by Peter P. Muirhead. Do you have the same cast of characters?

Mr. MUIRHEAD. We are now before you in testimony in support of the Higher Education Facilities Loan and Insurance Fund. I am accompanied by Mr. Herrell, Acting Assistant Deputy Commissioner for Postsecondary Education and Mr. Barefoot, the Executive Officer in the Bureau of Postsecondary Education.

I have a short statement and if it meets with your pleasure, I should like to read it.

Mr. FLOOD. Very well.

### OPENING STATEMENT

Mr MUIRHEAD. Mr. Chairman and members of the committee, I am pleased to appear before you to request an appropriation for the Higher Education Facilities Loan and Insurance Fund. We are requesting $2,701,000 under this account for the payment of participation sales insufficiencies. We are also requesting authority to utilize funds withdrawn from earlier commitments to make approximately $1,500,000 in new construction loans.

The Participation Sales Act of 1966 established a revolving fund for loans made under title III of the Higher Education Facilities Act—now subsumed by title VII, part C, of the Higher Education Act as amended—and authorided the pooling of such loans as collateral for participation certificates sold to the private credit market, with the proceeds going into the fund to be used for making new loans. Since the interest received on these loans are less than the interest paid on the participation certificates, appropriations are needed each year to cover the difference. In fiscal year 1975, we will need $4,201,000 for this purpose. Of this amount, $1,500,000 is covered by a permanent indefinite appropriation for sales authorized in fiscal year 1967. The remainder $2,701,000 for sales authorized in 1968, is being requested now.

As mentioned above, we are also requesting authority to utilize funds withdrawn from earlier commitments to support new loans. Although this is not a request for budget authority, any amount paid out for loans must be authorized in an appropriation act. For this purpose, we are estimating that three projects could be funded from approximately $1,500,000 in withdrawn commitments compared to 19 projects totaling $11,100,000 in fiscal year 1974. These amounts may also be used to provide supplemental increases on previously approved loans.

From 1970 through 1973, $1.4 billion in new construction loans were financed by the annual interest grant program in the higher education program. Since then, no funds have been requested or appropriated for new construction loans. Since 1970, the Office of Education has made new direct loans only from funds made available from previously committeed but undisbursed loans. We are seeking authority to continue this policy in fiscal year 1975.

I shall be pleased to answer any questions the committee may have.

### USE OF UNOBLIGATED BALANCE

Mr. FLOOD. You want $2,701,000 for payment of participation sales insufficiencies. Instead of coming up here and asking for appropriations for this, why don't you use the balance available in the fund? You have over $100 million in unobligated balance there. What is the matter with that?

Mr. MUIRHEAD. I think we have to come here because of the provisions in the Participation Sales Act of 1966, which requires us to honor the commitments that were made under that.

### NUMBER OF YEARS PAYMENTS WILL BE MADE

Mr. FLOOD. You have been paying these sales insufficiencies since 1968. How many more years are you going to need to make these payments?

Mr. MUIRHEAD. I think we probably will be paying them for some time to come and possibly as long as 25 years in some instances.

### "OFF-THE-BUDGET" FINANCING

Mr. FLOOD. Were these participation sales another one of those "off-the-budget" schemes that will eventually cost the Federal Government more than the simple direct loan for construction. What about that?

Mr. MUIRHEAD. The term that you use "off the budget" probably can be applied to this, because the participation sales are payments that are made as a result of the sales of participation where the interest that was paid for the issue of the participation sales was more than the income to the Government and we have to make up the difference.

Mr. FLOOD. And it will eventually cost the Federal Government more than a simple direct loan for the construction.

Mr. **Muirhead.** I think, Mr. Chairman, that you could make a case for that, and I think we always have to weigh that against whether or not at the immediate time in terms of the priority that we are trying to meet we could achieve that priority with a lower impact on the budget than, as you point out, in the long run over a long number of years it might cost less.

### FACILITIES PROJECTS FUNDED IN 1974

Mr. **Flood.** For the record will you give us a list of the 19 projects that were funded in fiscal year 1974?

Mr. **Muirhead.** Yes.

[The information follows:]

### Information on 19 Projects To Be Funded in Fiscal Year 1974

In fiscal year 1974 approximately $11.1 million in direct Federal loans is expected to be approved for about 19 or 20 institutions. These loans will be approved prior to June 30, 1974. Therefore, at the present time it would appear inappropriate to publish a list of the institutions involved since the applications and amounts requested are still subject to review and adjustment prior to approval. We will furnish the committee with a list of the institutions when final review and approval is completed. This should be possible during the first 2 weeks of July.

### AUTHORITY TO INSURE LOANS

Mr. **Flood.** The Education Amendments of 1972 include authority to insure loans on academic facilities. Have you insured any loans and if you haven't, why haven't you and if you haven't, are you going to?

Mr. **Muirhead.** We have not exercised that provision in the Education Amendments of 1972, and our present plans do not include doing that.

Mr. **Flood.** What is the matter with it?

Mr. **Muirhead.** Because we feel that that particular type of assistance to institutions is not nearly as important as other priorities that we have identified in the Federal interest.

Mr. **Flood.** You have not realined your priorities, you simply have alined them.

Mr. **Muirhead.** We have identified them.

Mr. **Flood.** That is good for a change.

Mr. Shriver.

Mr. **Shriver.** Thank you, Mr. Chairman.

### PERMANENT APPROPRIATION

The chairman just asked you to submit for the record the projects that you funded. What do you have in mind for the projects that should be funded from the approximately $1.5 million?

Mr. **Herrell.** Mr. Shriver, we have applications greatly in excess of the number to satisfy the $1.5 million. That will be no difficulty.

Mr. **Shriver.** In your statement where you say on page 1 "Of this amount $1,500,000 is covered by permanent indefinite appropriation for sales authorized in fiscal 1967." What do you mean by that permanent indefinite appropriations?

Mr. Herrell. The appropriation is permanent and indefinite, Mr. Shriver, because it provides for such sums as may be necessary each year without any further appropriation action by the Congress.

This appropriation was enacted by the Congress to cover the difference between the amount of interest collected by the Federal Government from the loan recipient and the amount of interest that has to be paid to the holders of the participation sales certificates which were sold during fiscal year 1967.

Mr. Shriver. But that wasn't an appropriation was it?

Mr. Herrell. Yes, it was a part of the appropriation language.

Mr. Shriver. It wasn't in the authorizing act, it was in appropriation language?

Mr. Herrell. The authorizing legislation was included in the Participation Sales Act of 1966, whereas the permanent indefinite appropriation language was included in the Independent Offices Appropriation Act of 1967.

Mr. Shriver. Thank you, Mr. Chairman.

Mr. Flood. Mr. Natcher.

Mr. Natcher. No questions.

Mr. Flood. Thank you very much.

Mr. Herrell. Thank you very much, Mr. Chairman.

### LAST APPEARANCE OF MR. MUIRHEAD

Mr. Flood. Before you put the curtain down, I used to like to hear myself talk, but this is one time I don't. Pete, my spies tell me this will be your last appearance before this distinguished subcommittee. I don't know if that is publicly known or not, but you may wish to say something about it in Scottish or English.

We have watched you here for many years. We have seen them come and go like Greyhound buses. Some have been good and some not so good. I was not an amateur at cross-examination of witnesses before I got here and certainly Government witnesses, and I spent 30 years with the Defense Department people, if you can imagine that. And since this shop was born at HEW it has been a can of worms in its own right. I must say I have yet to meet anyone who is so presentable or attractive or charming and so able. And I wrote that myself, you didn't.

I think I speak for members of the committee who served with me for years and some who have gone now, and I know you can see by their bright and shining faces how my colleagues I am sure agree.

Mr. Muirhead. Thank you very much for those very gracious and much too generous comments, but I think one of the most exciting and stimulating experiences I have had in Washington is to appear before this committee. I have found this committee to be very, very conscious of the needs of higher education in this Nation and to bring to it a very practical and at the same time a farsighted point of view as to what our country needs in terms of Federal assistance. And I have enjoyed working with this committee.

Mr. **Shriver.** Mr. Chairman, may I add for all of those on this side of the table a concurrence with the opinions and viewpoints our chairman has stated. I have served on this committee since 1965 and I know of no witness appearing before the committee who has been more forthright, courteous and able than you have. We appreciate it and wish you well.

Mr. **Flood.** Bon voyage.

Mr. **Muirhead.** Thank you.

# JUSTIFICATION OF THE BUDGET ESTIMATES

## Higher Education Facilities Loan and Insurance Fund

### Amounts Available for Obligation

| | 1974 | 1975 |
|---|---|---|
| Appropriation: | | |
| Annual (definite) | $ 2,948,000 | $ 2,701,000 |
| Permanent (indefinite) | 1,549,000 | 1,500,000 |
| Subtotal Appropriation | 4,497,000 | 4,201,000 |
| Receipts and reimbursements from: | | |
| "Federal funds" | | |
| Investment income from participation sales funds. | 496,000 | 666,000 |
| "Non-Federal sources" | | |
| Interest income | 14,821,000 | 14,789,000 |
| Loans repaid | 9,000,000 | 10,000,000 |
| Recovery of prior year obligations | 73,000 | --- |
| Unobligated balance transferred to participation sales funds | -5,530,000 | -5,985,000 |
| Unobligated balance, beginning of year | 122,770,000 | 106,587,000 |
| Unobligated balance, end of year | -106,587,000 | -99,986,000 |
| Total, obligations | 39,540,000 | 30,272,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Budget authority | $4,497,000 |
| 1975 Budget authority | 4,201,000 |
| Net change | -296,000 |

| | Base | Change from Base |
|---|---|---|
| Decreases: | | |
| A. Built-in: | | |
| 1. Interest expense on participation certificates | $4,497,000 | $ -296,000 |
| Total, net change | --- | -296,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $39,540,000 |
| 1975 Estimated obligations | 30,272,000 |
| Net change | -9,268,000 |

| | Base | Change from Base |
|---|---|---|
| Increases: | | |
| A. Built-in: | | |
| 1. Interest expenses to Treasury | $17,938,000 | $ +332,000 |
| Decreases: | | |
| A. Program: | | |
| 1. Construction loans | 11,100,000 | -9,600,000 |
| Total, net change | - | -9,268,000 |

## Explanation of Changes

Budget authority--Although interest expense on participation certificates will remain constant, an increase in income relating to such certificates will provide for a reduction of $296,000 in the budget authority. This reduction results in a total budget authority of $4,201,000 in 1975 compared to $4,497,000 in 1974. The budget authority is composed of two appropriations as follows:

(1) An annual definite appropriation to pay for the 1975 insufficiency on participation certificates sold in 1968 -- $2,701,000 in 1975 compared to $2,948,000 in 1974.

(2) A permanent indefinite appropriation to pay for the 1975 insufficiency on participation certificates sold in 1967 -- $1,500,000 in 1975 compared to $1,549,000 in 1974.

Obligations--In other operation costs, an increase of $332,000 is anticipated in interest to the Treasury ($18,270,000 in 1975 compared to $17,938,000 in 1974). This interest expenses, funded from available funds, is based on certifications by the Treasury at the end of each fiscal year and is computed on the cumulative amount of appropriations paid out for loans under this title or available as capital to the fund less the average undisbursed cash balance in the fund during the year.

A decrease of $9,600,000 in construction loans will result in three new projects totaling $1,500,000 compared to 19 projects totaling $11,100,000 in 1974. Such loans are funded from amounts made available from funds withdrawn from earlier commitments.

Obligations by Activity

| Page Ref. | | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| 120 | Operating expenses: | | | |
| | (a) Interest expense: | | | |
| | (1) Interest expense on Participation Certificates... | $10,482,000 | $10,482,000 | --- |
| | (2) Interest expense to Treasury................ | 17,938,000 | 18,270,000 | $ +332,000 |
| | (3) Administrative expenses... | 5,000 | 5,000 | --- |
| | (4) Facilities management expenses............... | 15,000 | 15,000 | --- |
| 120 | Construction loans............. | 11,100,000 | 1,500,000 | -9,600,000 |
| | Total obligations..................... | 39,540,000 | 30,272,000 | -9,268,000 |

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Rent, communications, and utilities.... | $ 15,000 | $ 15,000 | $ --- |
| Other services........................ | 5,000 | 5,000 | --- |
| Investment and loans.................. | 11,100,000 | 1,500,000 | -9,600,000 |
| Interest and dividends................ | 28,420,000 | 28,752,000 | +332,000 |
| Total obligations by object.......... | 39,540,000 | 30,272,000 | -9,268,000 |

## Authorizing Legislation

| Legislation | 1975<br>Authorized | 1975<br>Appropriation requested |
|---|---|---|
| Higher Education Act: | | |
| Title VII, Part C - Loans for Construction of Academic Facilities.......................... | $200,000,000 | $ --- |
| Participation Sales Act......................... | Indefinite | 4,201,000[1] |

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[1] $ includes $1,500,000 for permanent appropriations.

Higher Education Facilities Loan and Insurance Fund

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $169,250,000 | $169,250,000 | $169,250,000 | $169,250,000 |
| 1966 NOA | 119,050,000 | 119,050,000 | 110,000,000 | 110,000,000 |
| 1967 NOA | 200,000,000 | 200,000,000 | 200,000,000 | 200,000,000 |
| Sales | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| 1968 NOA 1/ | 925,000 | 925,000 | --- | 925,000 |
| Sales | 100,000,000 | 100,000,000 | --- | 100,000,000 |
| 1969 NOA 1/ | 103,275,000 | 103,275,000 | 103,275,000 | 103,275,000 |
| 1970 NOA 1/ | 2,918,000 | 2,918,000 | 2,918,000 | 2,918,000 |
| 1971 NOA 1/ | 2,952,000 | 2,952,000 | 2,952,000 | 2,952,000 |
| 1972 NOA 1/ | 2,961,000 | 2,961,000 | 2,961,000 | 2,961,000 |
| 1973 1/ | 2,921,000 | 2,921,000 | 2,921,000 | 2,921,000 |
| 1974 1/ | 2,948,000 | 2,948,000 | 2,948,000 | 2,948,000 |
| 1975 1/ | 2,701,000 | | | |

1/ Excludes a permanent indefinite appropriation under "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act, 1967.

NOTE The amounts for 1965, 1966, and 1967 include the construction loan program which was previously carried under "Higher Education Facilities Construction."

Higher Education Facilities Loan and Insurance Fund

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Adjusted Appropriation: | | | |
| Operating costs: | | | |
| Interest expense on participation certificates........................ | $ 4,497,000[1/] | $ 4,201,000[1/] | $ -296,000 |
| Total adjusted appropriation........... | 4,497,000 | 4,201,000 | -296,000 |
| Obligations: | | | |
| Operating costs: | | | |
| 1. Interest expense to Treasury..... | 17,938,000 | 18,270,000 | +332,000 |
| 2. Interest expense on participation certificates.................. | 10,482,000 | 10,482,000 | --- |
| 3. Administrative expenses............ | 5,000 | 5,000 | --- |
| 4. Academic facilities management expenses...................... | 15,000 | 15,000 | --- |
| Capital outlay: | | | |
| 1. Construction loans............... | 11,100,000 | 1,500,000 | -9,600,000 |
| Total obligations...................... | 39,540,000 | 30,272,000 | -9,268,000 |

[1/] These sums include indefinite permanent appropriations in the following amounts under "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act, 1967: 1974 - $1,549,000, and 1975 - $1,500,000. Definite annual appropriations are needed to fund the balances: $2,948,000 in 1974, and $2,701,000 in 1975.

## Justification

## Higher Education Facilities Loan Fund

### General Statement

Construction Loans:

Title VII of the Higher Education Act of 1965, as amended, authorizes loans for construction of academic facilities in higher education institutions. Such loans may be made for up to 80 percent of a project's total development cost and must be repaid within 50 years. The Participation Sales Act, Public Law 89-429, approved on May 24, 1966, established a revolving fund for these loans, and provides that appropriations made available for Title VII may be deposited into the fund. Participations in pools of such loans are sold by the Federal National Mortgage Association, the proceeds of which are deposited into the Fund to be used for new loans to colleges and universities.

For the past several years, loans under this program have been displaced by the new annual interest grant program under the higher education appropriation. However, new loans may be made from the fund to the extent that such amounts are made available from withdrawals of earlier commitments. These amounts are used to fund those small institutions of higher education which are unable to obtain private loans necessary to participate in the annual interest grant program.

It is anticipated that withdrawals of earlier commitments will support three new projects totaling $1,500,000 in 1975, compared to 19 new projects totaling $11,100,000 in 1974.

Operating Costs:

The Participation Sales Act specifically authorizes the sale of participations in pools of loans in cases where the total receipts from the loans in the pool, after covering the costs of servicing the loans and administering the participation pool, may be insufficient to provide for timely payment of interest and principal on the participation. Appropriations to pay such insufficiencies are authorized.

In cases where the aggregate receipts may be insufficient to cover the payments as they become due, participations are salable on favorable terms only if buyers are assured that funds will be supplied to cover the insufficiency. The actual amount of the insufficiency is determined primarily by the difference between the interest rate required to sell the participations to the private credit market, and the interest rates paid by higher education institutions on their loans; and this cannot be estimated in advance of the sale. Therefore, Section 302(c)(5) of the Federal National Mortgage Association Charter Act as amended by the Participation Sales Act authorizes an indefinite appropriation of such sums as may be necessary and without fiscal year limitation to assure the the successful sale of participations. Although the authorization is indefinite, it is effectively limited, since it can be used only in connection with participation sales in amounts specified by the accompanying authorization for sales. It is also permanent because it authorizes amounts necessary for meeting insufficiencies in any fiscal year in which participation sales provided for in accompanying authorizations are still outstanding.

In fiscal year 1967, a permanent indefinite appropriation was included under "Payment of Participation Sales Insufficiencies" in the Independent Offices Appropriation Act. This appropriation is limited to insufficiency payments for the $100,000,000 in participations which were sold in fiscal year 1967. Funds used against this appropriation on a full year basis, consisted of $1,677,000 in 1973 and $1,549,000 in 1974. It is anticipated that funds used in 1975 will decrease to $1,500,000. This decrease is primarily because of an increase in investment income from the participation sales fund which reduces the appropriation requirements for insufficiencies.

For the $100,000,000 in sales authorized in fiscal year 1968, annual definite appropriations of $2,921,000 for 1973 and $2,948,000 for 1974 were included in the Office of Education Appropriation Acts. These amounts are available for insufficiency payments in 1973 and 1974 only. Therefore, the budget request includes an estimate of $2,701,000 for 1975 payments against these sales authorized in 1968.

Total insufficiency payments in 1975 are estimated at $10,482,000. This amount will be derived from about $5,615,000 in interest collections on loans held by colleges and universities, $666,000 in investment income, and $4,201,000 from appropriations including $1,500,000 under the 1967 Appropriation Act. The decrease in appropriation requirements is primarily because of an increase in investment income.

For other operating costs, an amount of $18,270,000 is estimated for interest expense to the Treasury on loans paid out of appropriated funds or capital available from appropriated funds less the average undisbursed cash balance in the fund during the year. An additional $15,000 will be used to pay facilities management expenses on foreclosed academic facilities.

OFFICE OF EDUCATION

Higher Education Facilities Loan and Insurance Fund

## Program Purpose and Accomplishments

Activity: Operating Costs (including payment of participation sales insufficiencies and interest expense to the Treasury)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $4,497,000 | Indefinite | $4,201,000 |

Purpose: To make loans to higher education institutions for construction of academic facilities. In its initial stage, the Fund sold participation certificates to the private credit market of which the proceeds were used to make new loans to higher education institutions. Since the interest received by the Commissioner on the loans is less than the interest paid by the Commissioner on the participation certificates, appropriations for insufficiencies are needed each year.

Explanation: Although new loans are made only from funds withdrawn from earlier commitments, appropriations are made available for the operation of the Fund primarily for the payment of participation sales insufficiencies. Interest expense, funded from available funds, is payable to the Treasury on the net amount of appropriations used for construction loans.

Accomplishments in 1974: Appropriation for insufficiencies decreased from $4,598,000 in 1973 to $4,497,000 in 1974. Interest expenses to the Treasury increased from $17,845,000 in 1973 to $17,938,000 in 1974. Funds withdrawn from earlier commitments supported 19 new construction loans in 1974. No loans were made in 1973.

Objectives for 1975: Appropriation for insufficiencies are expected to decrease from $4,497,000 in 1974 to $4,201,000 in 1975. Estimated interest expense to the Treasury will increase to $18,270,000 in 1975, compared to $17,938,000 in 1974. Funds withdrawn from earlier commitments will support 3 new projects totaling $1,500,000.

TUESDAY, APRIL 23, 1974.

## SALARIES AND EXPENSES

### WITNESSES

**DR. JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING**

**DR. JOHN R. OTTINA, COMMISSIONER OF EDUCATION**

**PATRICIA CAHN, ASSISTANT COMMISSIONER, OFFICE OF PUBLIC AFFAIRS**

**CORA P. BEEBE, ACTING BUDGET OFFICER**

**BERT MOGIN, EVALUATION COORDINATOR**

**DOROTHY M. GILFORD, ASSISTANT COMMISSIONER FOR EDUCATIONAL STATISTICS**

**BOYD LADD, ASSISTANT DIRECTOR FOR DEVELOPMENT**

**BEVERLY BLONDELL, PUBLIC INFORMATION SPECIALIST**

**BRIAN M. STACEY, BUDGET ANALYST**

**JOYCE D. STERN, BUDGET ANALYST**

**EDWARD B. GLASSMAN, EDUCATION PROGRAM SPECIALIST**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

Mr. FLOOD. Now we have "Salaries and Expenses, Office of Education."

The presentation will be made by John W. Evans, the Acting Deputy Commissioner for Planning.

Would you like us to meet some of the people you have with you?

Dr. EVANS. Yes, Mr. Chairman, I would.

Mr. FLOOD. First of all I think at this point we will include your biographical sketch because I am sure it will be examined because of the subject you are handling, at least by me and other people.

Dr. EVANS. We will be happy to do that.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH

Name: John W. Evans.

Position: Acting Deputy Commissioner, Office of Planning.

Birthplace and date: Sabina, Ohio, May 5, 1928.

Education: Miami University, 1950, bachelor of arts; Ohio State University, 1955, master of arts; Ohio State University, 1960, doctoral degree.

Experience—Present: 1973–74: Acting Deputy Commissioner, Office of Planning; Acting Deputy Commissioner for Planning, Evaluation, and Management; 1970 to present: Assistant Commissioner for Planning, Budgeting and Evaluation; 1967–70: Chief, Evaluation Division, Office of Economic Opportunity: 1966–67: Deputy Assistant Director for Research U.S. Information Agency (USIA); 1964–66: Chief, Latin-American Research Division, USIA; 1961–64: Survey research analyst, USIA; 1957–60 Research Associate, Systems Research Group, Ohio State University; 1954–57: Instructor and Research Assistant, Department of Sociology, Ohio State University: 1952–54: U.S. Army: 1950–52: Instructor and Research Assistant, Department of Sociology, Ohio State University.

Association memberships: American Sociological Association; World Association for Public Opinion Research; American Educational Research Association.

Publications: Numerous papers published in various professional journals (e.g., Social Science Quarterly, Harvard Educational Review, Britannica Review of American Education).

### INTRODUCTION OF WITNESSES

Dr. EVANS. Mr. Chairman, the appropriation that we are appearing before you in support of this morning called "Salaries and Expenses" actually contains, as I am sure you know, quite a number of items that go beyond the standard meaning of that term. We have items in here dealing with statistics, planning, evaluation, and therefore we do have a number of people who will assist me in trying to answer the questions you may pose.

We have in the Office of Education a newcomer who is not here today, I am sorry to report. It is Mr. Edward York, the new Deputy Commissioner for Management who was called away suddenly because of illness in his family. That is why Mr. Muirhead testified on some of the previous work. Appearing with me this morning is Mr. Brian Stacey who will assist me in answering questions on program administration.

Mr. FLOOD. Of course you can call upon them, and I am sure they understand we consider it more or less of a right for anybody that comes up to sound off anytime they wish. This is no stuffed shirt show here.

Dr. EVANS. I think we are aware of that.

Mr. FLOOD. If they don't think you are doing so well, they can sound off. And if you want to call on them, do so.

Dr. EVANS. I am sure I will.

At the end of the table is Mrs. Dorothy Gilford who has appeared before the committee before. Mrs. Patricia Cahn, Director, Office of Public Affairs in the Office of Education. To her left, Mr. Ed Glassman, a colleague of mine in the Office of Planning and Evaluation who may have some remarks to make.

I have a statement here, Mr. Chairman, and if it is your pleasure, I would like to read it.

Mr. FLOOD. Please do.

### OPENING STATEMENT

Dr. EVANS. Mr. Chairman and members of the committee, I am pleased to appear before you today to discuss our fiscal year 1975 request under "Salaries and Expenses" for the Office of Education. This appropriation includes not only our standard request for funds to support the costs of operating the agency which appears under "Program Administration," but other activities that enable the Office of Education to carry out its duties to assess the condition of education in the Nation, to disseminate such information and to otherwise promote the cause of education in this country. These activities are "Planning and Evaluation" and "Advisory Committees" which were funded under this appropriation last year, "Data Systems Improvement," transferred from the now defunct "Education Development" account, and "General Program Dissemination" which includes: (a) Dissemination to the general public on Office of Education programs, an activity which was not funded last year; and (*b*) packaging and field testing which is a new program.

Our budget of $127,284,000 for this total account represents a net increase of $23,649,000 above the fiscal year 1974 level including the supplemental appropriations request now before the Congress. This increase consists of built-in increases for "Program Administration," proposed increases for "Planning and Evaluation" and for the "National Assessment of Educational Progress," and funds for statistical and dissemination programs which are new or did not receive an appropriation last year.

### PROGRAM ADMINISTRATION

Our request of $101,484,000 for "Program Administration" covers the management and support of the Office of Education itself. The major costs in this item are the salaries and associated costs of agency personnel. In fiscal year 1975, the Office of Education staffing report reflects our program proposals already presented to this committee to consolidate several categorical aid programs into a few State formula programs with designated priority and to phase out or decrease the level of support for some programs while increasing support for others.

The program administration account request will support 2,949 positions, a decrease of 114 positions below the fiscal year 1974 level. Consolidation alone would account for 201 fewer positions required by the end of fiscal year 1975. However, this and other position decreases associated with proposed program reductions are particularly offset by proposed increases for other programs. Significant examples of increases are 72 additional positions to further enhance the collection activity and preclaims services of the guaranteed student loan program, 68 positions to support an expanded basic grant program and 50 positions for the new dissemination activity which I will discuss in greater detail below.

Notwithstanding the net decrease of 114 positions, the requested dollar level for program administration represents a net increase of $15,023,000 above last year's level mainly because the man-years we are proposing to support in fiscal year 1975 are greater than the man-years that are actually being supported in fiscal year 1974. This situation results from the fact that during the first half of fiscal year 1974, while operating under a continuing resolution, authorized positions were not filled as they became vacant. This was done in anticipation of the planned reorganization and of our 1974 request which had proposed substantial decreases in the number of positions for the Office of Education on the assumption of the initiation of revenue sharing and a number of program terminations.

It should be noted that the fiscal year 1974 supplemental appropriation request for pay-raise costs, which was formulated last fall and which is currently before the Congress, was based on this reduced employment level.

However, the estimate of the fiscal year 1975 request for program administration assumes employment at the full authorized level by the end of fiscal year 1974. The annualization of the guaranteed student loan positions requested in the supplemental for only the last part of 1974 accounts for more than half of the increased man-years required in 1975. These built-in man-year increases, along with an item for the rental of space which is included in our budget for the first time this year and an extra paid day in fiscal year 1975, comprises more than $13 million of the requested $15,023,000 increase for this activity.

### DATA SYSTEMS IMPROVEMENT

Under this item, we are requesting $11,600,000 which is $2,850,000 more than was available in fiscal year 1974. This increase is comprised of $1,350,000 to initiate the Common Core of Data and an additional $1,500,000 for the National Assessment of Educational Progress.

The surveys and special studies program provides time series and projection data for planning, policy, and administrative use by all levels of educational decisionmakers. At the Federal level, this data is used to determine the allocation of Federal funds and to provide the statistical basis for assessing the impact of federally funded programs and for reports required by Congress for legislative activities regarding educational programs.

One activity of special interest planned for fiscal year 1975 is a second followup on the study to relate school and home environment, plans, and personal characteristics of high school seniors to their initial employment and postsecondary educational experiences. For example, it will be possible to determine the extent to which students from low-income families with ability equal to that of students from high-income families have equal success in attaining their educational and occupational aspirations.

Another important area that will be examined is the teacher surplus. A survey will be conducted on the postbaccalaureate employment and economic status of 1973–74 college graduates with special emphasis on those who prepared to teach and what happened to them. In addition, a survey of institutions which train teachers will be initiated in order to improve the data base on the supply and demand of teachers.

In total, about 50 new publications will be issued as a result of such studies, an estimated 11,000 data inquiries will be answered, and more than 1,000 data tapes will be made available. We are requesting $4,250,000, the same as the fiscal year 1974 level for these activities.

The major new initiatives in the statistics program are in the Common Core of Data activity for which the Office is requesting $1,350,000. This program is designed to replace the present inadequate provision for educational statistics with an integrated and interlocking system of educational statistics to meet Federal, State, local, and institutional needs for planning and management.

The first phase of the program encompasses five components planned to meet needs at the Federal level: An educational data base (EDSTAT I) accessible by remote computer terminals, analysis capability, fast response surveys, a survey of educational target groups in the 17- to 25-year-old population, and Federal data cores about elementary and secondary education and postsecondary education.

One of these components, EDSTAT, is a terminal accessed educational data base established to make existing data readily available. It was built upon the data base developed by the National Commission on the Financing of Postsecondary Education and now includes data on participation in adult education as well. It will have data on elementary and secondary education in the next few months. EDSTAT is currently available for public use, at cost, by anyone who has a terminal. The first use of this data base by the Office was to help answer a request from this committee on the responses that large teacher training institutes have been making to the teacher surplus.

Concerning the development of the Federal data cores, another of the five program components, the first draft of the core of data needed about elementary and secondary education has already been developed and during fiscal year 1975 studies will be carried out with all 50 States to determine the feasibility of the States providing required data to the Office of Education in machine-readable form on a timely basis. Results of a pilot study will be used to design a statistical reporting system on costs of education in postsecondary intitutions as a part of that core that would provide data which has been requested by Congress and which is of obvious utility at the State and institutional levels.

The Office of Education is mandated to report to the Nation on the progress of American education. The national assessment of educational progress is a major effort to collect data on the attainment of students in four age groups and to report changes in attainment over regular intervals. This year, for the first time, it is possible to report change in one subject area since we now have data collected for two different points in time. The assessment shows a small drop in science attainment by young Americans in 1972–73 compared with 1969–70. Should this decrease become a trend, it should be monitored closely because of the long-range implications for the economic and defense posture of the country.

During the current year, attainment is being measured in career and occupational development, and the second assessment of writing is being conducted for three of the four target groups.

In fiscal year 1975, in addition to extensive analysis of data collected in prior years and publishing reports of these assessments, activities will include collecting baseline data on attainment in art and conducting two smaller studies. One study will seek to ascertain factors affecting functional performance in basic math skills. The other will begin to explore the feasibility of gaging the ability of 17-year-olds to perform basic skills considered necessary for survival in society.

In addition to data collection and analyses, this program also promotes studies by interested professional groups to fully explore the implications of the data collected.

A secondary but nevertheless significant offshoot of this program is that it has stimulated the awareness and use of assessment at the State level. Currently six States and two large school districts have replicated national assessment sufficiently to be able to compare their results with the national data. Some 28 additional States and several school districts are also using national assessment materials and methods. We are requesting that the budget for national assessment be reinstated to its fiscal year 1973 level of $6 million in order to allow major assessments in two subject areas for all four target groups each year. Program cutbacks resulting from a lower appropriation last year included testing only three groups in the second-cycle writing assessment and revising plans for 1975 to obtain baseline data for one subject area rather than two.

### ADVISORY COMMITTEES

For fiscal year 1975, funds are requested for 10 public advisory committees that serve the Office of Education. These committees, in addition to performing specific congressionally mandated functions, advise the Commissioner and the Secretary on matters of general policy concerning the administration of respective educational programs. The support requested for this activity, $1,200,000, is only slightly less than the fiscal year 1974 level, but some changes have been made in the distribution of funds among the committees according to changing administration needs of each of them in fiscal year 1975.

### PLANNING AND EVALUATION

With regard to planning and evaluation funds, we are requesting $9 million for fiscal year 1975. This represents an increase of $1,780,000 over the comparative appropriation for fiscal year 1974, and is a request for a partial restoration to the level of the previous 4 years. Last year the Congress reduced requested evaluation funds from $12,700,000 to $7,200,000—including the set-aside from the Emergency School Aid Act—ESAA. The reason given for this reduction in the House committee report on H.R. 93-305 was that, "Evaluation reports on the various programs have yielded disappointing results. Though some of the reports are attractive in appearance, the content of many of them is so voluminous as to render them of little utility."

I would like to take this opportunity to explain in more detail precisely what we do because I feel there may have been some misunderstanding about our evaluation activity. Our two principal goals have been and continue to be, first to conduct national evaluations of the effectiveness or impact of our major Federal education programs, and second, to conduct planning studies on major educational problems or issues relating to these programs. We try to make these evaluations as methodologically sound and as objective as we can. We want to find out what works, what doesn't work, and why, and we report our findings openly and candidly.

If the results are disappointing in the sense of not meeting some prior expectations about program success, that is because the data show the program to be achieving disappointing results, not because the evaluation is inadequate. If the results are disappointing in the sense of not having timely evaluation reports on some of the programs the committee would like to see evaluated, I can only say we are trying to complete evaluations on all our programs, but the process takes time. To date we have begun studies on about two-thirds of the approximately 100 Office of Education programs and we have tried to be sensitive to congressional concerns. With limited resources in dollars and manpower, it will take several more years to complete studies of all the programs, but we would welcome the committee's input about priorities.

During the last 2 years we completed 30 planning and evaluation studies including, for example:

A major analysis of the ESEA Title I formula.

A review of existing evaluations of the effectiveness of ESEA title I.

A comparative evaluation of proprietary and nonproprietary vocational training programs.

An evaluation of the adult basic education program.

An evaluation of the college work-study program.

An evaluation of the emergency school assistance program.

An evaluation of the Manpower Development and Training Act basic education program.

Within the next 18 months we will be completing and reporting to this committee and others the results from:

A national evaluation of the effectiveness of title I reading program.

A national evaluation of the title VII bilingual program.

A national evaluation of the basic vocational education program.

An evaluation of the upward bound and talent search program.

A study of defaults in the guaranteed student loan program.

An evaluation of the Teacher Corps.

An evaluation of portions of the right-to-read program.

With respect to the committee's comment about the voluminous nature of the evaluation reports, I should like to point out that since fiscal year 1972 we have been seeking to increase the dissemination of evaluation findings by preparing brief executive summaries of completed studies and distributing them to all members of the education committees of both the House and the Senate. In addition we distribute the full reports to those who request them. The summaries highlight the principal findings of each study and are intended to address the very problem the committee cited; namely, that lengthy, technical reports themselves are rarely read. To date, 15 such summaries have been distributed and more are in preparation.

We are now beginning to receive and make use of the results of evaluation studies initiated during the past 2 to 3 years. As illustrations of some of the uses we have made of evaluation results, our study of the ESEA title I formula helped force consideration of the difficult tradeoffs involved in changing the formula and provided useful input to H.R. 69 and S. 1539. Our studies of student aid and the development of a student aid model have provided the basis for cost estimates used by both the Office of Education and the Congress in developing the basic grants program. Our evaluations of the emergency school assistance program (ESAP) demonstrated that the program did have an effect on student achievement for an important segment of the target population, and the findings from ESAP's successful human relations activities have provided guidance for our fiscal year 1974 Emergency School Aid Act (ESAA) grant application and review process. Studies of the selected ESEA title I and other compensatory education projects have led to dissemination of information on successful approaches and have also influenced the decision to concentrate resources on basic skills.

Our intention for fiscal year 1975 is to complete the studies underway and initiate another set of studies leading toward eventual completion of national evaluations on all the programs we administer. We would like, as soon as possible, to get to the point where we have completed evaluations on all the major programs, but as I indicated this is a slow and not inexpensive process. To conduct an evaluation that provides a careful assessment of program effectiveness and also provides information valid for decisionmaking requires collecting data on the target group before the program is installed, allowing time for the program to intervene and have an effect, retesting the target group after a suitable interval, comparing the results with a control group or against a norm, and then analyzing the data and interpreting the results. This process often takes 18 months or longer, requires a high degree of technical competence, and costs several hundred thousand dollars.

Our request for fiscal year 1975 would be used to fund 16 new studies of this type and to complete 9 evaluations now in process. Perhaps because discussion of evaluation often overlaps with discussion of the broader subject of research and similar activities, the impression has apparently arisen that vast amounts are being spent on evaluation. As I noted earlier in these hearings in response to a question from the chairman, significant funds specifically for the purpose of planning and evaluation have been in the Office of Education budget only since fiscal year 1970. The $9 million we are proposing for fiscal year 1975 amounts to less than one-fifth of 1 percent of the total office of Education budget request.

### GENERAL PROGRAM DISSEMINATION

In the "General program dissemination" account, $500,000 is requested for Office of Education Dissemination. This activity provides the public and members of the education community with information about Office of Education programs and encourages active participation by as many people as possible in the improvement of American education.

Previous projects included the award-winning film, "The Right to Read," which has been seen by an estimated 40 million Americans, and a successful national TV campaign to stimulate student interest in pursuing specialized education leading to technical careers. No funds were appropriated in fiscal year 1974 although minimal activity was continued this year with carryover funds.

Our current request would permit resumption of Office of Education public information activities on programs which have great need for public knowledge and understanding or whose public information outreach is not substantially supported by program funds.

Major projects that would be supported with fiscal year 1975 funds include:

The production and distribution of a film on changing attitudes about women and on new opportunities for women and minorities that are opening up in education.

Public service consumer protection TV spots to alert potential borrowers under the student loan program to their repayment responsibilities.

Continuation of the technical education campaign.

Continued distribution of films on the "Right to Read" and on environmental education.

Filmed interviews with teachers and administrators involved in compensatory education programs that the Office of Education has identified as effective and for which it plans wider dissemination. A detailed description of this proposed new program follows.

One of the most urgent problems in education today continues to be the large numbers of disadvantaged children whose test results show severe deficiencies in the basic skills of reading and math. While efforts to find specific educational approaches that have significantly helped such children have been generally disappointing, a number of successes have been solidly identified.

We have therefore devised a strategy to help improve compensatory education through replication of those programs and products that are proven to be effective. We are requesting $3,500,000 under authority of the Cooperative Research Act to implement this new effort. The purpose of this program is to identify compensatory educational models and programs for which there is clear evidence of effectiveness, package the elements of these successful programs so that teachers can reproduce them in their own classrooms, and then disseminate these packages to State and local school agencies for use in the major Federal, State, and local compensatory programs.

The new program builds on a current study which is identifying up to eight effective compensatory education programs that teach basic skills in reading and math and is packaging them for replication.

Mr. Chairman, I would like to interrupt my presentation for just a second and give you just a hint, if I may, of the product of that study which is the basis for this request for this new packaging program.

Mr. Glassman has at his hands a box which we have referred to as the "5 by 5 box." It is not actually that large, but this is a product of this preliminary study.

As you can see it consists of a series of drawers containing various kinds of materials. As I indicated in my testimony, what we have found is that first of all there are not very many compensatory education programs that we can speak confidently about that have solid evidence of effectiveness. But even for those few that we do find, the evidence seems to consist largely of technical research evidence, or some local understanding among the teachers and others who developed and carried out that project at their schools. If some other school system wishes to take up those projects that are known to be effective, on which we have evidence of effectiveness, they find that very hard to do. The teacher in question doesn't really know what to do, say, on Monday morning to implement that particular model she understands to be effective.

This particular box contains a series of drawers.

The first several drawers contain detailed materials on how the project should be planned, what materials it requires, what sort of teacher training is required. The other drawers contain, for example, schedules, for what the student should learn at various points in time, testing materials, and so on. Thus, all of the hardware, the software, the instructions, schedules, and materials are here so that if a school system is interested, first of all, in asking if we have some programs that there is some evidence of effectiveness, we can answer yes. To the next question, "Do you have some materials that we can use to actually implement those programs in my classroom?"—we can also answer, yes. And this is the kind of thing we are aspiring to develop in greater numbers.

In summary then, Mr. Chairman, we are going to have about a half a dozen of these by the end of this fiscal year which came out of this particular study we undertook. What we are asking for in this last sector of my testimony is $3.5 million to begin a small program that would build on this initial effort, and would try to expand the identification, validation, and packaging of effective programs. This first set of packages will be ready by the end of this fiscal year for a field test to validate the programs that will be conducted during school years 1974–75 and 1975–76.

This concludes our presentation of the budget request for "Salaries and expenses."

### SUBSTANTIAL INCREASE IN BUDGET

Mr. FLOOD. In 1972, the appropriation for "Salaries and expenses" was $52 million. Now you are talking about 1975 and your request is for $127 million. That is about a 150 percent increase in just 3 years. Of course we know you transferred a lot of cats and dogs around down there, and transferred programs and activities from this account to that account, but it certainly looks as though your administrative costs are growing way out of proportion to the operating programs. How do you justify that rapid growth?

Dr. EVANS. Mr. Chairman, I don't know whether we have here today a chart that we have presented to this committee in the past which shows——

Mr. FLOOD. This will be a good place to begin and put in the record here whatever organization chart you have.

[The information follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

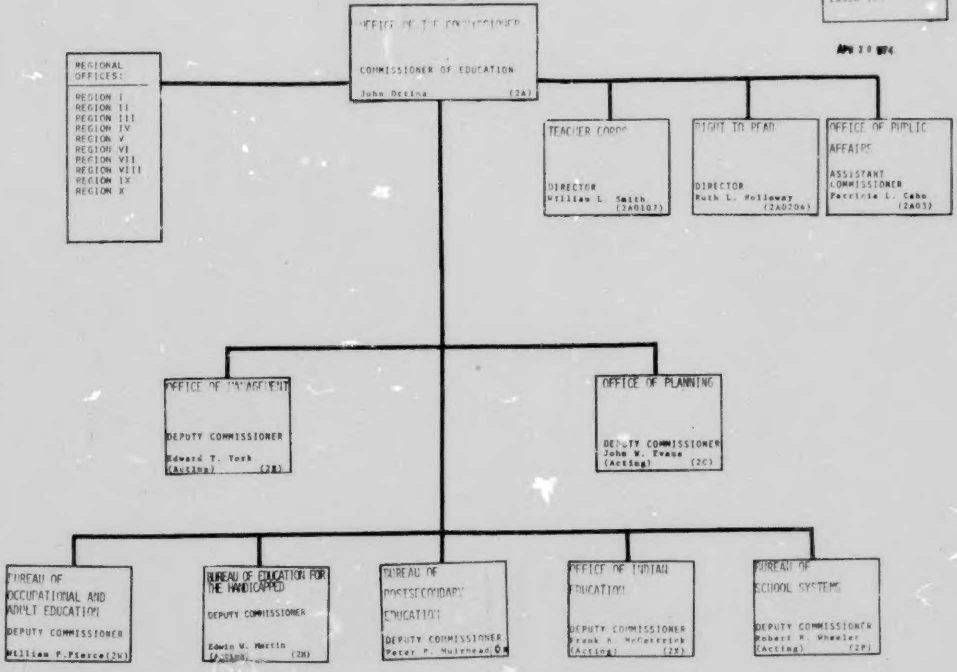
EDUCATION DIVISION

OFFICE OF EDUCATION
OFFICE OF THE COMMISSIONER

USOE/AO 4-30-74

APPROVED:
John Ottina
John Ottina
COMMISSIONER OF
EDUCATION

APR 30 1974


OFFICE OF THE COMMISSIONER
COMMISSIONER OF EDUCATION
John Ottina (2A)
REGIONAL OFFICES:
REGION I
REGION II
REGION III
REGION IV
REGION V
REGION VI
REGION VII
REGION VIII
REGION IX
REGION X
TEACHER CORPS
DIRECTOR
William L. Smith (2A0107)
RIGHT TO READ
DIRECTOR
Ruth L. Holloway (2A0204)
OFFICE OF PUBLIC AFFAIRS
ASSISTANT COMMISSIONER
Patricia L. Cahn (2A03)
OFFICE OF MANAGEMENT
DEPUTY COMMISSIONER
Edward T. York (Acting) (2B)
OFFICE OF PLANNING
DEPUTY COMMISSIONER
John W. Evans (Acting) (2C)
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
DEPUTY COMMISSIONER
William F. Pierce (2W)
BUREAU OF EDUCATION FOR THE HANDICAPPED
DEPUTY COMMISSIONER
Edwin W. Martin (Acting) (2M)
BUREAU OF POSTSECONDARY EDUCATION
DEPUTY COMMISSIONER
Peter P. Muirhead (2R)
OFFICE OF INDIAN EDUCATION
DEPUTY COMMISSIONER
Frank B. McGettrick (Acting) (2X)
BUREAU OF SCHOOL SYSTEMS
DEPUTY COMMISSIONER
Robert R. Wheeler (Acting) (2P)

Dr. Evans. I think the evidence will show, Mr. Chairman, that the administrative costs are not in fact growing but are holding level, and in some cases decreasing, when we consider the expanded level of program operations that have been undertaken by the Office of Education over the years.

I know I personally looked at that chart last year, and the actual administrative dollars per grant award dollar has generally declined rather than risen.

The other factors are the ones that you know about. We have had built-in pay raises passed by the Congress, and we have, as I tried to indicate earlier, consolidated a number of activities which are normally misleadingly referred to as salaries and expenses in this account where we now have items other than program administration.

### HIGHER BUDGET AND FEWER POSITIONS

Dr. Ottina. Let me add we are asking for 114 fewer positions than we had last year.

Mr. Flood. I was going to ask about that. You are talking about program administration. You are requesting an increase of $15 million, but you are asking for 114 fewer positions. This always intrigues me. How do you do that?

Dr. Evans. I tried to speak to that in my testimony, Mr. Chairman, and I would like to say a general word and ask Mr. Stacey to add some detail to it.

Basically, if you looked at the Office of Education table of organization during fiscal year 1974 you would have found throughout the year a large number of vacant positions, a long period under a continuing resolution, and a series of assumptions we made about the number of positions we needed which turned out not to be correct in view of subsequent congressional action. Therefore, we are now in a position of filling these positions and we intend to get to the full employment level by the end of this year. We are assuming that that full employment level will be present by the beginning of fiscal year 1975. So while the actual number of official positions will be fewer in 1975 if the Congress approves our request, the actual number of people onboard, working, and drawing pay will be larger than was the case in 1974 when a large number of positions which were officially authorized, were in fact vacant.

### STANDARD LEVEL USER CHARGES

Mr. Flood. You have another one of these catch phrases. Almost $4 million is being requested for what you call standard level user charges. What is that?

Mr. Stacey. For the first time this year the way the General Services Administration budget for rents for all Federal buildings is being changed. In the past we used to budget for rent for new positions only through the first full year of occupancy, and then we would transfer the money to GSA. This year for the first time GSA is now going to rent Federal space to Government agencies, and so for the first time this year our rental fee is included in our budget, and hereafter each agency will budget for its own space.

Mr. Flood. Is there any corresponding decrease in the GSA budget?

Mr. Miller. We would have to check that, Mr. Chairman. I believe there is.

Mr. Flood. Did you think I would ask you that?

Mr. Miller. Every salaries and expenses account we brought before you this year shows a great deal more money than is related to positions because of this standard user charge.

### 1973 IMPOUNDED FUNDS

Mr. Flood. Take a look at page 178 of your justifications. There you show an unobligated balance restored of $3,650,000. What are you going to use those funds for? Will they be spent in 1974 or 1975?

Dr. Evans. Is that data systems improvement?

Mr. Flood. Yes.

Dr. Evans. The general answer to that question is that those are funds which were restored late in the fiscal year and are going to be used for the activities justified before this committee at the time the amount was requested last year.

Mrs. Gilford. We have a plan laid out for spending all of that money in fiscal year 1974 for the activities which were justified before this committee.

Mr. Flood. I don't doubt that.

### EFFECT OF PROPOSED LEGISLATION ON STAFFING

Your budget shows a decrease of 321 jobs resulting from your proposed consolidation of education grants. How is that decrease you are coming up with going to be affected by the recent action taken by the House on the elementary and secondary legislation, H.R. 69? How about that?

Dr. Evans. We haven't made precise estimates on that, Mr. Chairman. We have made a budget proposal that corresponds to a set of consolidations which we discussed with you at the beginning of these hearings. That set of proposed consolidations is closely paralleled by H.R. 69, and my rough estimate would be that the required number of positions would also come out very similarly. However, we have not analyzed the precise staffing implication of the H.R. 69 bill, nor of course what the ultimate compromise bill would be once the Senate acts on S. 1539 and a conference compromise is achieved.

Dr. Ottina. I need to add one qualification to the statement Mr. Evans made. We did assume, as you can see from the table presented, the consolidation of vocational education. We don't have any evidence to date there will be such consolidation. So in that area, unlike the rest of H.R. 69, our estimates may be at greater variance.

Mr. Flood. Do you think the budget for salaries and expenses will need to be substantially revised after the enactment of the elementary and secondary education legislation?

Dr. Evans. If the final bill that is passed by both Houses of the Congress and signed by the President is substantially different from H.R. 69, then it is clear that we would have to make some revisions.

If it is similar to H.R. 69, as I said, I think our estimates on our own proposals for consolidation would turn out to be close to actual requirements. There would be some adjustments, of course, one of which the Commissioner just mentioned, and there are other items in H.R. 69, some new required studies, activities, and technical assistance that were not included in our proposals that would have to be taken into account.

### ADDITIONAL POSITIONS FOR STUDENT AID PROGRAMS

Mr. FLOOD. You want 68 new positions for the basic opportunity grant program. Is that based on the full funding of that program?

Dr. EVANS. Yes, sir, it is.

Mr. FLOOD. On the insured student loan program, you want 72 new jobs. In the 1974 supplemental you also asked for additional positions. We have a time lag here. Will the delay in putting through the 1974 supplemental appropriation result in any way in changing your 1975 request?

Dr. EVANS. No, I don't believe it will. The supplemental positions that the committee has granted will be pursued if the Senate concurs in that action, and the 1975 proposal is based on that assumption.

Mr. FLOOD. What is the total number of positions that you feel you are going to need in 1975 to effectively manage this student loan program? Do you have a figure?

Mr. MILLER. Mr. Chairman, I would like to emphasize the point—and I think it is an important question—the House cut the supplemental primarily I think because of the lateness.

Mr. FLOOD. That is right.

Mr. MILLER. But it is quite clear our estimates of need were based on 2 years. So if the final appropriation is cut by the 50 positions we would be asking you in 1975 to give us the full request, which would in effect restore that cut.

Mr. FLOOD. Do you have a figure now?

Mr. STACEY. We have currently 250 in the supplemental request before the Congress now which would be 508 and these 72 would bring it up to 580.

Mr. FLOOD. Do you still believe the cost of these additional positions for the insured loan program are going to be more than offset by future savings, you hope, in reduced loan defaults?

Dr. EVANS. We certainly believe that is the case, Mr. Chairman. The analyses we have done on the default problem have indicated that there are not only increasing tendencies toward default on the part of students, that is, the tendency to move more quickly into bankruptcy or quasi-bankruptcy status as you mentioned during the hearings on the student loan insurance fund earlier this morning, but our analyses also indicated that our program administration was understaffed and it simply was a matter of needing more individuals to pursue problems with the bank and the students. And that is the basis of our request.

### PLANNING, BUDGETING, AND EVALUATION

Mr. FLOOD. In your budget justifications you have 72 jobs that are assigned to the Office of Planning, Budgeting, and Evaluation?

Dr. EVANS. Yes, sir.

Mr. Flood. How do you break that down? How many people are working on planning, how many people are working on budgeting, how many on evaluation?

Dr. Ottina. As he looks for that number I would like to clarify something about basic grants. When you asked Mr. Evans about full funding, let me point out that full funding per se does not affect planning and the need of people to run the program. What affects the size of the staff that is required is whether there is 1, 2, 3, or 4 years of eligibility. If all 4 years are eligible, whether there is full funding or less, we would still have the same number of recipients.

Dr. Evans. Mr. Chairman, regarding the Office of Planning, Budgeting, and Evaluation, I will have to give you some general estimates on that in terms of man-years simply because these tasks are not rigidly divided. For example, we have about 25 people out of those 72 working both on budgets and on planning and the remaining 50 are working on a combination of planning and evaluation.

Mr. Flood. You can break that down for the record.

Dr. Evans. We will.

[The information follows:]

OFFICE OF PLANNING, BUDGETING AND EVALUATION, TASKS PERFORMED IN TERMS OF MAN-YEARS

| | Fiscal year 1974 | | | Fiscal year 1975 | | |
|---|---|---|---|---|---|---|
| | Professional | Clerical | Total | Professional | Clerical | Total |
| Planning | 10 | 6 | 16 | 10 | 6 | 16 |
| Budgeting | 14 | 7 | 21 | 14 | 7 | 21 |
| Evaluation | 22 | 6½ | 28½ | 22 | 6½ | 28½ |
| Administration and special | 4 | 2½ | 6½ | 4 | 2½ | 6½ |
| Total | 50 | 22 | 72 | 50 | 22 | 72 |

## EVALUATION OF "UPWARD BOUND"

Mr. Flood. One of your evaluation studies that was started last year was a big deal about the upward bound, talent search program. Can you tell us anything about the result of that study? That was going to be a big deal.

Dr. Evans. Yes, sir. We did undertake an evaluation of that program but it is still in process and the findings will not be available until December 1974. There was a prior evaluation of the upward bound program.

Mr. Flood. You started it.

Dr. Evans. As I mentioned, we have one that is underway now, but it is not, I don't think, intended to speak to the issue you asked about. There was a prior evaluation of the upward bound program carried out as a matter of fact by the Office of Economic Opportunity when the program was lodged there. It found that, at the time, the program seemed to be quite effective in recruiting disadvantaged youngsters and in helping them to remain in college until graduation in ways that were cost effective. With the help of the program, these students were more successful than their brothers and sisters before them had been.

Recently, as you mentioned in an earlier hearing, the GAO has done another evaluation of upward bound which has found somewhat different results. They found the upward bound retention rates in college have fallen off significantly from the earlier time. We have incorporated the results of that evaluation, as we do all such other evaluations, in the Annual Evaluation Report which comes to the Congress. And we have taken a number of steps to change the program in the direction of that evaluation. But even though the results of the GAO evaluation showed substantially lower retention rates than had been found in the original OEO evaluation, the retention rate at this time still seems to be higher than what disadvantaged youngsters normally would experience trying to go on to college outside the upward bound program.

### GENERAL PROGRAM DISSEMINATION

Mr. FLOOD. You want $4 million for general program dissemination. It sounds like something new. It appears to be a new program. You don't show anything appropriated for 1974. Is it a new program or what is it?

Dr. EVANS. There are two items under that and they are quite different, Mr. Chairman. Of that $4 million, $500,000 is the public dissemination activity I spoke of earlier involving films, publication of programs, and so on. The remaining $3.5 million is a request to support a new activity that I tried to describe a little bit earlier.

Mr. FLOOD. How in the world is that any different from the dissemination—and that is one of their big acts—done by the National Institute of Education?

Dr. EVANS. I think this is a very appropriate question, Mr. Chairman.

Mr. FLOOD. I ask them directly.

Dr. EVANS. We have spent some time ourselves trying to sort out the relative responsibilities on dissemination between ourselves and NIE as they relate to the Committee Report in the Educational Amendments of 1972. The division of labor we have come to is that the NIE will have, as the committee report indicated, the primary responsibility for dissemination, but, as that same report also noted, the Office of Education should continue dissemination with respect to its own programs. So that all of the activities that we are proposing funds for here before you today are related to existing funded and legislatively authorized Office of Education programs. These kind of activities that I have talked about for dissemination come from title I, title III and other parts of standards programs.

Mr. FLOOD. Part of this request is for "project information packages." The A. & P. needs some of your people. Project information package—it is a beauty, a PIP. How did you get started on that one and what are you going to accomplish with it?

Dr. EVANS. That box is one of the PIP's I have been referring to, Mr. Chairman. This is one we have on the table before you. It is intended, as I said, to try to not only find, and it is hard to find, validated compensatory education projects for which there is evidence of effectiveness, but to also package those in a way that can be disseminated and used by school people. That is what the $3.5 million would support.

### ADVISORY COMMITTEES

Mr. **Flood.** How many advisory committees do you have around down there? How many are you planning to phase out? What you need down there is an advisory committee against any other advisory committees.

Mr. **Stacey.** We are requesting support in 1975 for 10 advisory committees, and there are 3 more that we are supporting this year for which support is not being requested in this account. Those are the ones for elementary and secondary education, title III. The other one is Indian education, for which funds are being requested in a separate appropriation before another subcommittee, including the administrative funds to support Indian education.

Mr. **Flood.** You have an Advisory Committee for Education Professions Development and that is in this budget. Yet in another part of the same budget you are proposing to phase out the education professions development programs. When you don't want the program what do you want with the advisory committee? Or how do you want it?

Dr. **Evans.** There are still some EPD programs, Mr. Chairman, we are not proposing to phase out the COP or urban-rural programs which appear now in the "Elementary and Secondary Education" account and for which we feel it is appropriate to continue the advisory committee.

Dr. **Ottina.** There is also Teacher Corps in that account and under other authorities we are asking for teacher training and inservice preparation funds. We would propose to use the advisory council in all of those areas.

### "COMMON CORE OF DATA"

Mr. **Flood.** Suppose you tell us this in clear terms. That will be nice. Why do you want $1,350,000 for what you call common core of data? Nobody could be against a common core of data could they?

Dr. **Evans.** Let me give a general answer to that and ask Mrs. Gilford to speak in more detail.

Mr. **Flood.** Is this basically one of the long-haired, flat-heeled computer operations?

Dr. **Evans.** It may involve some of that, Mr. Chairman, but it is not precisely or entirely that.

The problem is that, as I suspect you know from your mail, there are widespread concerns and complaints about the amount of data being gathered throughout the country today by the Federal Government, by State governments and so on. School systems and postsecondary institutions are under a tremendous data burden. Yet much of the data when it is gathered seems somehow not to be additive or comparable.

The basic aspiration for the common core of data is to get together with the States and agree upon a common core of data items they need, that the school systems need, that the Federal Government needs, and to try to agree upon a common system for carrying out and collecting this data so that it could be used by all parties. We would hope to both increase the useful data, decrease the less than useful data, and coordinate it for all parties concerned. That is the basic purpose.

Mr. **Flood**. I was around when these data pigeons were born over at Defense. When this is fully operational what is your estimate of the annual cost of this can of worms?

Dr. **Evans**. I would ask Mrs. Gilford to speak to that.

Mrs. **Gilford**. We think it will run at a level of about $10 million when it is operational.

Mr. **Flood**. How have the States reacted to this program?

Mrs. **Gilford**. In general the States are extremely supportive. We are planning this spring to do a feasibility study with the States, and we had enough funds to work with 10 States. We have now had 26 States ask to be what we call lead States for the first round of experimentation.

Mr. **Flood**. I know more about this than you do. How will you be able to collect comparable data so you won't have "apples and oranges," if you know what I mean?

Mrs. **Gilford**. That is exactly one of the major objectives of the common core. The underlying problem in data collection in education is that the different States are using somewhat different definitions and they are maintaining their records in different ways. What we want to do in this feasibility study we are currently undertaking is to find out whether the States have the data items which we have agreed to be the data items needed at the Federal level and, if the States have the items, whether they use the definitions we use. If not, we want to ascertain what would be the cost implications for obtaining the items or for making modifications to use the standard definitions which have been developed jointly with the States.

We also want to find out whether they can fit in with the quality standards we would specify and find out what it would cost for them to transmit the data to us in machine readable form, either in punchcards or on tape. If we can implement this system, we will be able to get better quality data, to receive it in a form that is ready to process, and to publish our reports on a much more timely basis.

## NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

Mr. **Flood**. Last year Congress reduced the budget for the national assessment project from $7 million down to $4.5. It didn't bother you much because now you come back and you want $6 million. Did this reduction have any adverse effect upon the project? If so, in what way?

Dr. **Evans**. Yes, sir, it did have an adverse effect. As I indicated in my opening testimony it required a number of reductions in the program activity, a number of areas that would have been covered were not covered, and the extent of coverage in terms of sample was also reduced. For example, it is because of this cut that only one subject can be assessed in fiscal year 1975 instead of two.

Mr. **Flood**. Give us some examples of actual uses of this assessment.

Dr. **Evans**. I would ask Mrs. Gilford to speak to that.

Mrs. GILFORD. There are many uses of the data now. In the opening testimony we reported the first trend information from the survey, and that is that there has been a small drop in science attainment among the students in the country. Since these are nationally representative samples in both years, this is a trend which we should be watching with great care.

Another major use of the data has been on the part of six of the States and two school districts which have replicated the national assessment process and have been able to compare the attainments in their States or in their districts with the national attainment. Since the national data provides breaks by inner city, by geographic section, or by race, the State can compare, for example whether inner-city students in the particular State are doing equally well as inner-city students in the Nation.

For example, in the State of Connecticut it was found that although generally the Connecticut students were doing better than the Nation, in inner cities the Connecticut students were not doing as well as the inner-city students elsewhere in the country in reading. This led to the development of special reading programs for use in those inner cities.

There are over 20 additional States that have used the methods and/or some of the questions of national assessment for the development of State assessments but have not used them in their entirety, so they have not been able to make comparisons with the national data.

Mr. FLOOD. By subject area, will you supply for the record a list of all the reports that you have published through that project?

Mrs. GILFORD. Yes.

[The information follows:]

## NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS PUBLICATIONS

### REPORTS OF RESULTS

### *1969–70*

*Science*

National results. Specific exercise with percentage of 9, 13, 17, and 26–35-year-old groups giving acceptable responses.

Summary.

Observations and commentary of a panel of reviewers.

Results by sex, region, and size of community.

Results by color, parental education, size and type of community.

*Citizenship*

National results. Specific exercises with percentage of groups giving acceptable responses.

Results by sex, region, and size of community.

Results by color, parental education, size and type of community.

*Writing*

National results. Specific exercises with percentage of groups giving acceptable responses.

Results by sex, region, and size of community.

Writing mechanics. An analysis of types of errors found in essays of all groups.

Selected essays and letters. Contains over 3,000 actual essays from all age groups.

Results by color, parental education, size and type of community, sex, and region for objectively scored exercises.

*1970–71*

*Literature*

Summary data. A technical summary of the most significant findings.

Released exercises. Actual exercises accompanied by national performance levels for all age groups.

Results organized and reported by theme.

Understanding imaginative language.

Responding to literature.

Recognizing literary works and characters.

A survey of reading habits.

*Reading*

Summary data.

Released exercises.

A digest of the first reading assessment.

Results organized and reported by theme.

Understanding words and word relationships.

Graphic materials.

Written directions.

Reference materials.

Gleaning significant facts from passages.

Main ideas and organizations.

Drawing inferences.

Critical reading.

Reading rate and comprehension.

*General information yearbook*

A description of National Assessment's methodology, with special attention given to literature and reading.

*1971–72*

*Social Studies*

Political knowledge and attitudes. Results for the 4-age groups.

*Music*

A perspective on the first music assessment. Commentary by music educators.

*Musical Performance*

Results for the 4-age groups with accompanying cassette.

*Objectives Booklets*

Description of objectives and subobjectives developed for each National Assessment subject area and the process of their development:

Science.
Writing.
Citizenship.
Social studies.
Mathematics.
Career and occupational development.
Art.
Science (Revised for 1972–73 assessment).
Writing (Revised for 1973–74 assessment).
Citizenship (Revised for 1974–75 assessment).
Reading (Revised for second assessment).
Literature.
Music.

*Monographs*

Exposition on the concept and methodology of the project, and how exercises are developed.

What is National Assessment? Frank B. Womer, 1970.

The National Assessment Approach to Exercise Development. Carmen J. Finley and Frances S. Berdie, 1970.

A Review of Selected Literature on Background Variables and Educational outcomes.

The National Assessment Approach to Sampling. (in press).

*Brochures*

Questions and Answers. A brief but comprehensive leaflet about National Assessment, its origin, purpose, methods.

National Assessment Publications List.

*Demonstration Packages*

Typical exercises in Reading and Literature.
Typical exercises in Music and Social Studies.
Typical exercises in Science and Mathematics.
Typical exercises in Writing and Career and Occupational Development.

*NAEP Newsletter*

Bimonthly, 8 pages.

Dr. EVANS. If I could add a brief word, we feel that this project is quite important and especially relevant to the mission of the Office of Education. As originally laid out in the basic 19th century legislation it calls for the Office of Education to report on the progress and status of American education. The National Assessment of Educational Progress doesn't evaluate or assess any particular program, it gives a descriptive portrait of how a sample of American education is doing in a variety of basic areas.

Mrs. GILFORD. If I may add one other use, and it is quite an interesting one, the National Advisory Council on the Equality of Educational Opportunities which advises on the administration of the Emergency School Assistance Act, has asked the National Assessment to provide the Council with information regarding the performance of blacks and nonblacks in practical tasks. They have gone through the National Assessment questions and have picked out questions which are particularly practical questions which they feel that youngsters need to survive in our society, and this analysis is being carried out for the use of that Council.

Mr. FLOOD. Mr. Shriver.

Mr. SHRIVER. Thank you, Mr. Chairman.

### RENTAL CHARGES

The chairman asked the question relative to the inclusion in the budget for the first time of the rent, and Mr. Miller says it has been in every phase of your activity. How does GSA determine the rent?

Mr. MILLER. Mr. Shriver, I guess I would have to provide a precise answer for the record. I think they did it on the basis of rates for commercial local footage. I would have to check to see.

Mr. STACEY. That is correct. I think they are charging the Office of Education approximately $7 per square foot.

Mr. SHRIVER. Is it the same thing all over no matter where the building is?

Mr. STACEY. It depends on the area of the country.

Mr. SHRIVER. Maybe somebody should check the GSA. I would think you would be interested in that. It certainly affects your budget.

### DISSEMINATION ACTIVITIES

The 50 new publications that are going to be issued as a result of the study you mentioned are on a variety of subjects I suppose. Are some of them included in this?

Dr. **Evans.** No, sir. Those publications come out of the statistics portion of the budget, and they are a series of reports. Many of them are issued periodically on the number of students enrolled, number of teachers, finances of educational institutions, and other educational statistics.

Those particular 50 publications refer just to the output of Mrs. Gilford's operation in the National Center for Educational Statistics. They consist of tables and interpretations of the data. There will be other publications issued that relate to this total appropriation. They are summaries of evaluations we send to this committee and others and this will be an entirely separate output.

Mr. **Shriver.** I understood what you said about this project box.

Dr. **Evans.** That is one of them.

Mr. **Shriver.** Do you send the box out to schools? How is it to be used?

Dr. **Evans.** We don't know the answer to that question precisely yet, Mr. Shriver. We are going to indicate to State and local school systems that we have these packages available. It will be up to them to make use of them in whatever way they want to. We will not make it a required part of any of our existing programs such as Title I or Title III, but we will put on some kind of national notification activity to tell State and local school systems throughout the country that these materials are available. As I told you, this particular product and five others like it are the result of a preliminary study. The money we are requesting for fiscal year 1975 is to underwrite an extension of this. But as a part of an extension of the study we plan to field test the implementation of these in a few schools. Also we are going to actually pay a few schools to take this into their schools and try it out, and we are going to see how it works out and see what kind of trouble or advantages or disadvantages they have in implementing it in their schools. So we will hopefully be in a better position later on to advise other schools as to how the system works.

### ADVISORY COMMITTEES

Mr. **Shriver.** You have asked funds for the 10 public advisory committees and the chairman asked you about them. Could you put into the record the 10 advisory committees you are going to continue to fund?

Dr. **Evans.** We can supply that for the record if you would like. And perhaps now if you would like to hear it.

Mr. **Shriver.** You may put it into the record and the number of people. Do you have the same number on each advisory committee?

Dr. **Evans.** No.

Mr. **Shriver.** How are they paid? Summarize that for the record.

Dr. **Ottina.** Members are not salaried. Rather, they receive only travel expenses, per diem expenses and an honorarium for the day.

Would you like also, Mr. Shriver, to have the complete list and those we are proposing not to continue and perhaps it might be useful to know which ones are not in H.R. 69 as well.

Mr. **Shriver.** Yes.

Dr. **Evans.** Would you like a list of the 50 publications we spoke of?

Mr. **Shriver.** Not necessarily at this time.

[The information follows:]

## Advisory Committees

| | 1974 Estimate | 1975 Estimate | No. of Members |
|---|---|---|---|
| Accreditation and Institutional Eligibility 1/...................... | $ 19,000 | $ 25,000 | 15 |
| Adult Education 2/.................... | 166,000 | 199,000 | 15 |
| Bilingual Children 2/................. | 50,000 | 50,000 | 15 |
| Developing Institutions 3/........... | 8,000 | 28,000 | 9 |
| Disadvantaged Children 2/............. | 185,000 | 185,000 | 15 |
| Education for the Deaf................ | 40,000 | --- | -- |
| Education Professions Development 3/.. | 150,000 | 150,000 | 15 |
| Equality of Educational Opportunity 2/ | 177,000 | 113,000 | 15 |
| Financial Aid to Students 3/.......... | 30,000 | 50,000 | 21 |
| Handicapped 2/........................ | --- | 70,000 | 15 |
| Handicapped Children.................. | 50,000 | --- | -- |
| Vocational Education 2/............... | 330,000 | 330,000 | 21 |
| Total.......................... | 1,205,000 | 1,200,000 | |
| Additional Advisory Committees Funded in 1974: | | | |
| Elementary and Secondary Education Act, Title III 4/.................. | 225,000 | --- | -- |
| Extension and Continuing Education 3/. | 100,000 | --- | -- |
| Indian Education 2/................... | 160,000 | --- | -- |
| Community Education 2/................ | --- | --- | -- |

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1/ Created by the Commissioner under the General Education Provisions Act, Sec. 442.
2/ Authorized in H.R. 69.
3/ Authorized by other Statute.
4/ Authorized in H.R. 69 only if consolidation is not effective.

Mr. SHRIVER. I believe that is all.
Mr. FLOOD. Mr. Smith.
Mr. SMITH. No questions.
Mr. FLOOD. Mr. Robinson.
Mr. ROBINSON. Thank you, Mr. Chairman.

### POTENTIAL OF DUPLICATION BETWEEN NIE AND OE

The chairman made note of a concern with respect to increase in your information dissemination activities with regard to the possible conflict with NIE. It just so happens that earlier this morning I was in conference with Mr. Glennan, who is now in the room, because I was concerned about it even before this statement was made and I am even more concerned about it now.

It seems to me this is going to lead to an almost inevitable conflict in terms of both OE and NIE doing the same thing. I don't see how it is going to be possible to avoid it on the basis of your statement that this pertains only to OE programs on which you are disseminating information. What we are trying to do by spending this money is improve education nationwide, and you are both going at the same job with the same objective at the same time. I don't believe that it is possible to avoid duplication. Can you enlarge a little bit on your explanation of the way this is going to be accomplished?

Dr. EVANS. I think all I can say is that we are mindful of the problem that you raise, and as I said, we did spend some considerable time and effort in trying to figure out ourselves what the proper response or role would be to the statement and division of labor called for in the original committee report which did make the distinction that I alluded to.

I would just say that I think that if the Office of Education does not take responsibility for disseminating information about its own programs, that task probably isn't going to get done. I think Dr. Glennan will be happy to speak to this point and I think would concur that he has quite a large number of preoccupations that go beyond the existing legislative programs of the Office of Education. Having worked out this distinction and responsibility between the two agencies we have been in close contact since then to avoid any problem of the kind you have raised.

Mr. ROBINSON. I am conscious of the fact that contact has been maintained, but I am not as confident of the coordination and the cooperation as I am of the contacts. This is the area that gives me concern.

Dr. EVANS. I can only try to reassure you, Mr. Robinson, that I personally have been in contact on a fairly frequent basis with Dr. Glennan's chief person responsible for dissemination activities in NIE. We are working with him on the efforts they are putting forward. They are working with us on the activities we are carrying out. As I say, I think that to follow a solution which would simply say that all dissemination of all education program activities should be left up to the NIE would probably fail, because of their other legitimate and appropriate preoccupations to generate this kind of material based on existing Office of Education programs. The programs in the Office of Education and the Commissioner are subjected continually to inquiries which in effect say, you people are the Federal Government, you should know what is going on in education, you should know what is effective, it should be your job to find these things out, check the evidence, put these things together and tell us so that we in the States don't have to do this 50 times separately, so that we can put these things into effect in our daily education activities.

That is what we have tried to do in this kind of activity. I would like to urge the committee to consider the value we hope that will have.

Dr. OTTINA. Mr. Robinson, let me add to that this statement. The Office of Education administers about $6 billion a year of funds that are invested in education. Our staff is in daily contact with every State department and with virtually every school district throughout the United States over the course of that year.

We are many, many times in a position where we are aware of what it is that is trying to be accomplished and are often asked what are good methods and good techniques that we should use as we rub elbow to elbow at the front line with educators who are implementing these. We think it is our responsibility to be aware of those things which relate to the programs that we are administering and to give advice and material and technical assistance, and if you like, disseminate in those areas where we have programmatic responsibility those things we are aware of, that we think work and would improve education.

Mr. GLENNAN. If I may, Mr. Chairman. Dr. Glennan of the National Institute of Education.

I think to start off, the situation is even worse than Mr. Robinson and you alluded to earlier, in the sense that not only is there the potential that NIE and the Office of Education might do the same thing, but that each of the States or at least many of the States are carrying on similar kinds of programs to this, but there is a potential I think, for substantial duplication.

However, we have tried, and we are trying, to continue to keep this sorted out. I think that the emphasis of the Office of Education on its own programs and on what exists in the field is an important and continuing interest. It exists within this program that Dr. Evans has described. It also exists within the right to read program which I think you have heard testimony on, and in which there is an intent as well to find out what is working now.

The most important distinction it seems to me between what the Office of Education is doing and what the National Institute of Education aspires to do is that the Office of Education hopes to bring to the attention of teachers and administrators across the country the best of current practice, the best that can be done or that is being done in practice. The National Institute of Education is seeking there a disciplined development process to improve over time what that test practice might be.

So you find our acivities being devoted in significant ways to the creation of new materials that do not yet exist, that would improve the quality of education and might find their way ultimately into some of those exemplary programs Dr. Evans is talking about.

If you will, there is an attempt on our part to improve the state of the art and an attempt on the part of the Office of Education to see that the current state of the art is moved into real use.

Mr. ROBINSON. I am sure we will be hearing from you later with respect to the improvement of the state of the art.

### DISSEMINATION ACTIVITIES

I would like to get back to this so-called as the chairman referred to it PIP.

I notice it was produced by RMC Research Learning Achievement Corp. which I assume indicates it was developed under one of your contractor grants.

Dr. EVANS. That is correct.

Mr. ROBINSON. What did it cost?

Mr. GLASSMAN. $361,106.

Dr. EVANS. That, Mr. Robinson, is not just for the particular package you see before you, but that is for a contract to develop approximately a half dozen such packages.

Mr. ROBINSON. This is one of six. That figure includes all six?

Dr. EVANS. That is correct.

### OE SUPPORT TO DISTRICTS TESTING "PIP'S"

Mr. ROBINSON. I was surprised to hear you say that you will be paying certain school districts to put this to us. Is it necessary to pay someone to try out these materials?

Dr. EVANS. It may not have been necessary, but we wanted to insure that we had favorable and comparable circumstances for testing this out. So we will be giving them some funds to defray some costs of implementation.

Dr. OTTINA. Paying in the sense of helping them absorb the cost of implementing the program, not paying them for other elements.

Mr. GLASSMAN. In other words, the district will receive a grant to help it to install the program which is described in this package. The programs we are talking about, the six programs that were packaged under this study do involve additional costs, such as personnel, facilities, and materials. The grant will help the district absorb the cost of additional resources actually necessary for installing that project in their own district.

Mr. ROBINSON. Presuming that this information is found to be very useful, would this information be provided to school districts at a certain fee or would it be necessary for them to absorb the cost in order to have the advantage of its use, or how do you visualize spreading this information through other than your test districts?

Mr. GLASSMAN. Let me answer that in two parts. One is with regard to the field test itself. One reason we have not yet developed a large dissemination policy is because we expect that in part a policy will come out of the field test itself depending on the way people react to the packages, the way they use them, the way they say they would like to have the packages sent to them and the final form of the package that will be developed as a result of the field tests.

Second, with regard to dissemination, these packages are meant to help implement an approach which will replace something that is going on now in the districts that will use them. That is to say those districts already have remedial programs under way now which we believe are less effective than the programs that we have packaged. So by substituting the new approach for whatever program the district is currently using, there will be a saving of the cost of the former remedial program for use in this one.

We have been very careful about the cost levels in the approaches we have tried to package, and they range from between $250 per pupil to somewhere in the neighborhood of $600 per pupil, which we feel is very much in the ball park for districts which do need compensatory education programs. The packaged program would probably be no more expensive than what they have now or if it is more expensive, would only be slightly so. Certainly in terms of results if our estimate of the benefits to be derived from these package approaches seems to be accurate, the results would be well worth that small additional cost.

Mr. Robinson. In other words, it is not your feeling we are going to be faced with an additional budgetary item to implement the use of the material in terms of putting it into effect in the school districts around the country?

Dr. Evans. Definitely not. This is intended to be a modest effort. It is intended to be a dissemination effort rather than a program effort, and an effort to try to take one step toward compensating for the generally disappointing evaluation data we have encountered on compensatory education programs generally.

One would hope, through the identification of such effective programs, their dissemination, and hopefully their adoption, that current school program budgets, current title I programs and so on could generally be upgraded in effectiveness through the use of their existing moneys.

Dr. Ottina. Mr. Robinson, I think it flows very naturally in that we are again only disseminating in areas where there is a program for which we have responsibility. So what we are really in this dissemination effort trying to do is upgrade methods to upgrade those programs which Congress has already authorized, for which we have responsibility to administer, and, therefore, what we are doing is providing better ways to implement those existing programs, not new programs.

### GRANT AND CONTRACT MANAGEMENT

Mr. Robinson. If Mrs. Green were here, you would be getting questions with regard to contracts and grants, and I don't need to remind you of that. I wonder what steps have been taken in the past year to provide for better monitoring of the contract and grant administration.

Dr. Evans. We have taken a number of steps, Mr. Robinson, and I am sorry I have to outline it for you in a separate way. We outlined those at last year's testimony, but the problem that this committee noted, that Mrs. Green has noted, and we have acknowledged and reported on, of late contracting and backdating of contracts have been entirely eliminated. Part of the funds that we are requesting here today for example, for the guaranteed student loan program, are designed to improve the quality of monitoring.

Mr. ROBINSON. I noted in your justification there is some discussion of this but I believe, considering her interest in the matter and the committee's interest in the matter, it would be well to enlarge on what you have stated so far.

Dr. OTTINA. In my opening statement, Mr. Robinson, the chairman asked that question with regard to the report that was commissioned by your appropriations committee, and I at that time mentioned that we had done an analysis of what we had accomplished last year, and the chairman allowed it to be entered in the record. Perhaps that analysis will help answer your question as well.

Mr. ROBINSON. I am sure it will.

[Clerk's Note: The information appears earlier in this volume on page 77.]

### TRANSPORTATION DECREASE

Mr. ROBINSON. I note that one of the more substantial decreases is in the transportation of things, an amount of over $900,000. I wonder how that came about.

Mr. STACEY. That was an item that was included in our 1974 request to possibly support decentralization in the Office of Education when we were in the initial planning stages.

Mr. SHRIVER. Is it needed now?

Mr. ROBINSON. It is indicated as a decrease.

Dr. OTTINA. We had in 1974 anticipated decentralization during that year. As I said earlier, the present 1975 budget does not contain funds for that purpose. If they are needed, we will come forth again and ask for such funds.

Mr. ROBINSON. That is all, Mr. Chairman.

### VETERANS' COST OF INSTRUCTION

Mr. CONTE. You show a reduction of seven staff positions for the veterans' cost of instruction program. What is the dollar amount involved at the 1975 level?

Dr. EVANS. There are no funds requested for that program in fiscal year 1975.

### DATA INQUIRIES

Mr. CONTE. In your statement on surveys and studies, you estimated 11,000 data inquiries in 1975. Will you break this down, using either 1974 or 1975 figures, into kinds—general public, congressional, State education agency, et cetera.

[The information follows:]

The National Center for Educational Statistics provides statistical information in response to approximately 11,000 requests each year. The following tabulation provides a reasonable estimate of the number of requests by source for fiscal year 1974:

| Source | Number | Percent |
|---|---|---|
| Educational institutions and organizations | 3,300 | 30 |
| Business trade, labor and other organizations | 2,750 | 25 |
| Government agencies | 2,200 | 20 |
| Members of Congress and congressional committees | 1,100 | 10 |
| The communications media | 550 | 5 |
| Individuals (general public) | 1,100 | 10 |
| Total | 11,000 | 100 |

### "COMMON CORE OF DATA"

Mr. CONTE. Are State and local authorities involved in planning the new "common core of data" program?

Mrs. GILFORD. Yes; the common core of data program is being developed jointly with a standing committee of the council of chief State school officers known as the Committee on Educational Information Systems. This committee has representatives from all 50 States. The committee has designated a subcommittee on common core of data management information systems to work with the Office of Education. The subcommittee has both school district and State representation. The subcommittee meets several times a year with Office of Education staff to guide the development of the program to assure that it will be useful to the States and school districts as well as to the Office of Education. Twenty-six States have volunteered to serve as lead States in the feasibility study for CCD which will be conducted during the coming year.

### PROGRAM EVALUATION

Mr. CONTE. How are programs selected for evaluation?

Dr. EVANS. There are a variety of criteria, both general and specific, for selecting the studies to be included in the evaluation plan. I will furnish for the record the general criteria for identifying candidates for studies to be performed each year.

[The information follows:]

Studies which will supply information for congressionally mandated evaluation reports.

Studies which focus on the effectiveness of specific programs as compared to those which provide for general data collection.

Studies which provide inputs to requests for upcoming legislative renewals.

Studies of programs and issues which are of special current interest and policy concern to either the Congress, the Executive Office of the President, the Department, Office of Education, or the general public.

Studies of major programs (high dollar value and/or impact on large target populations).

Studies of programs and issues which impact on the Office of Education, Education Division, or Department objectives or priorities.

Concurrent with this process, more specific criteria for selection of studies are also applied. These include:

Specifying the legislative and program objectives of all major programs.

Assessing what data and information currently exists in terms of evaluation evidence on each of the programs.

Taking into account the utility and likely outcome of relevant studies underway.

Identifying the remaining evaluation and planning gaps and needs brought to light by this analysis.

Proposing studies to fill these gaps.

Once all the candidates for studies are identified, they are placed in priority sequence by program area taking into consideration congressional mandates and expressions of interest, Executive Office requests, Secretary and Commissioner objectives, emphases and priorities, and program manager's expressions of need. This is primarily a judgmental process although first priority is normally assigned to continuation studies on the basis that investments in studies already in process would be lost if the studies could not be carried through to completion; second priority is assigned to new national impact studies continuing the emphasis on closing the knowledge gap about the effectiveness of major Office of Education-administered programs; and next priority is assigned to new planning studies.

The draft list is reviewed and commented on by Deputy Commissioners, Regional Directors, Departmental Assistant Secretaries and the Committee on Evaluation and Information Systems (CEIS) of the CSSO's. Their comments and suggestions are given careful consideration in revising the plan and priorities before submission to the Secretary for approval.

Mr. CONTE. Are the contracts for evaluation competitive or sole source?

Dr. EVANS. Evaluation contracts are normally awarded on the basis of competitive bids. Only in a few instances are contracts awarded on a sole source basis and then only for relatively small dollar amounts. In addition, sole source proposals must be justified to a "Sole Source Board" which applies strict criteria to such requests. Thus, in fiscal year 1973 for example, 11 contracts totaling $2.99 million were awarded competitively and 5 contracts totaling $27,000 were awarded sole source.

Mr. CONTE. Are reports of evaluation studies available as submitted by the contractor, or does OE edit them?

Dr. EVANS. Contractors submit their report in draft form. The draft is reviewed by OE staff for technical quality, clarity, comprehensiveness of treatment, and soundness of conclusion. No attempt is made to influence the data or the findings. Changes are then negotiated between OE and the contractor, and the final report is then available as the contractor has submitted it.

Mr. CONTE. For the record, will you show for which of the studies listed on pages 213–216 of the justification reports are available and when reports are due on the rest?

Dr. EVANS. The studies you refer to are either in process or are just being initiated. Thus, none of the reports are yet available. For the record, I will submit the list of studies with their due dates.

[The information follows:]

EVALUATION STUDY AND DUE DATE

1. Computer and Consultants Costs, not applicable.
2. Evaluation of Compensatory Reading Programs, June 1974.
3. Longitudinal Study of Demonstration Programs, June 1974.
4. Study of ESEA Title I Allocation Formula, June 1974.
5. Study of Accreditation and Institutional Eligibility, June 1974.
6. Development of Interest Subsidy and Default Model, June 1974.
7. Evaluation of Community Based Right to Read Programs, September 1974.
8. Performance Contracting Follow-up, December 1974.
9. A Study of Change Agent Programs, July 1975.
10. Study of Cooperative Education/The Impact of Student Earnings as Support for Postsecondary Education, December 1974.
11. Analysis of Census Data on College Expectations plus (Re-entry), June 1975.
12. School Finance Task Force Studies, June 1975.
13. Update of Title I Census Data, June 1975.
14. Analysis of Title I Comparability Report, June 1975
15. Tracking Distribution of Vocational Education Funds, February 1975.
16. Study of Demand for Post Graduate Training to Acquire Entry Level Job Skills, January 1975.
17. Advantages and Disadvantages of Student Loans for Women, February 1975.
18. Status and Resources of Self-Supporting Students, November 1974.
19. Study of the Oversupply of College Places, December 1974.
20. Feasibility Study for a Census of the School Aged Handicapped, January 1975.
21. Review of Data Instrument, and Research Design for Data Analysis of Vocational Education Impact Study. Canceled.

22. Analysis and Synthesis of State Title I Reports and Models Development, August 1975.
23. Extension of Fiscal Year Title I Evaluations. Uncertain.
24. Enrollment Effects of Tuition Differentials, February 1975.
25. Vocational Education Impact Study (NCES portion), June 1975.
26. Bilingual Impact Study, November 1976.
27. Study of State Compensatory Education Programs. Uncertain.
28. Simulation and Analysis of New Allocation Formulas for Title I, ESEA, uncertain.
29. Educational Significance of Tracking in Public Schools. Uncertain.
30. Research Strategies in the Education of the Disadvantaged. Cancelled.
31. Feasibility and Study Design for Evaluation of Neglected and Delinquent Title I Program, March 1975.
32. Study of Impact of Federal Student Aid Programs, April 1975.
33. Study of Overlapping Activities in BEH and OCD, February 1975.
34. Federal role in ETV (Sesame Street and Electric Co. Eval), March 1975.
35. Study to institutional development in HEA, title III, aid to developing institutions, April 1976.
36. Distribution of Office of Education discretionary funds, March 1975.
37. Impact of vocational education on Indians, March 1975.
38. Project information packages development, June 1974.
39. Project information packages field test evaluation, October 1976.
40. Assessment of school supervised work education programs, November 1975.
41. Evaluation of Civil Rights Act, title IV, September 1975.
42. Evaluation of adult education programs, July 1975.
43. Study of borrower and lender characteristics for estimation of defaults in the insured student loan program, December 1974.
44. Study of talent search and upward bound programs, December 1974.
45. Evaluation of ESAA pilot programs, January 1976.
46. Evaluation of ESAA basic grants program, January 1976.

### ADVISORY COMMITTEES

Mr. CONTE. On your request of $1.2 million for the 10 advisory committees, are the salaries of any OE staff included in the $1.2 million?

Mr. STACEY. No; there are no OE staff salaries included in the $1.2 million. We will supply for the record an object class breakout of the fiscal year 1975 requests.

[The information follows:]

## Advisory Committees - FY 1975

| | Personnel Comp. | Benefits | Travel & Trans. of Persons | Trans. of Things | RCU | Printing & Reprod. | Other Services | Supplies & Materials | Equipment | GRAND TOTAL | Meetings per Year | Average Cost per Meeting |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Accreditation & Institutional Eligibility................. | $ 8,000 | $ --- | $12,000 | $--- | $ --- | $ --- | $ 5,000 | $ --- | $ --- | $ 25,000 | (5) | ($4,200) |
| Adult Education.............. | 122,332 | 11,466 | 39,000 | 400 | 375 | 14,250 | 5,477 | 4,000 | 1,700 | 199,000 | (17) | ($3,150) |
| Bilingual Children............ | 19,000 | 1,100 | 28,900 | --- | --- | --- | 1,000 | --- | --- | 50,000 | (6) | ($8,100) |
| Developing Institutions....... | 12,000 | 120 | 13,005 | --- | --- | 700 | 2,175 | --- | --- | 28,000 | (4) | ($3,545) |
| Disadvantaged Children........ | 118,000 | 10,500 | 42,500 | 100 | 1,500 | 11,000 | 400 | 1,000 | --- | 185,000 | (9) | ($7,675) |
| Education Professions Development........................ | 126,107 | 10,593 | 2,000 | --- | --- | 3,000 | 2,500 | 5,300 | 500 | 150,000 | (4) | ($9,375) |
| Equality of Educational Opportunity....................... | 52,000 | 4,500 | 35,000 | 500 | 1,000 | 11,500 | 8,000 | 500 | --- | 113,000 | (5) | ($8,000) |
| Financial Aid to Students..... | 27,000 | --- | 20,000 | --- | --- | 3,000 | --- | --- | --- | 50,000 | (3) | ($16,667) |
| Handicapped................... | 24,000 | --- | 30,000 | --- | 2,500 | 6,500 | 3,000 | 2,000 | 2,000 | 70,000 | (4) | ($11,250) |
| Vocational Education.......... | 71,600 | --- | 79,250 | --- | 5,000 | 10,000 | 156,450 | 5,700 | 2,000 | 330,000 | (18) | ($4,750) |
| TOTAL..................... | 580,039 | 38,279 | 301,655 | 1,000 | 10,375 | 59,950 | 184,002 | 18,500 | 6,200 | 1,200,000 | | |

## TV PROGRAM ON ADULT LITERACY

Mr. CONTE. What is the TV program on adult literacy to be developed? Is it instructional or promotional?

Dr. EVANS. The TV program on adult literacy is planned as an instructional program. It will include two series of teaching-of-reading programs, one directed at the English speaking functionally illiterate and the other—in Spanish—at the Spanish speaking functionally illiterate. The target population shall be adults with reading ability from zero to fourth grade. Each program shall consist of 25 half-hour lessons. This effort will be funded jointly in fiscal year 1974 from the right-to-read program and the adult education program and not from any program under the "Salaries and expenses" account.

## GUARANTEED STUDENT LOANS

Mr. CONTE. How many of the positions you are requesting in connection with the guaranteed student loan program are directly related to accelerating litigation of defaulting borrowers?

Dr. EVANS. All of the collector positions including clerical support would be directly related to accelerating litigation of defaulting borrowers. All collections procedures for the program follow the steps required by the Federal Claims and Collections Act of 1966 and the joint standards issued thereunder by the Attorney General and the General Accounting Office. The results of collections actions taken in the course of trying to convert defaults into paying accounts ultimately determine which accounts should be referred for litigation. Under these joint standards, accounts must be referred to the General Accounting Office where the final decision on litigation action is made.

Mr. CONTE. On page 206 of the justification you mention that several studies recommended improving the guaranteed student loan program's data systems, but an in-house group decided on an entirely new system. Was the in-house decision reveiwed by any outside consultants? What were the cost differences between the recommended improvements and the new system?

Mr. STACEY. The study supporting the basic recommendations to improve the current guaranteed student loan program data systems and the decision to review the data processing requirements for the guaranteed student loan program with the view that the successor system adequately provide for program requirements were recommendations of the same in-house group.

These recommendations were supported by a study of problems existing in the current guaranteed student loan program data systems performed independently of the in-house study by General Telephone and Electronics Information Systems.

Both studies concluded that performance can be improved in the current system and that degradation of guaranteed student loan program data bases can be restricted to an acceptable level. However, certain deficiencies in the current system design and system implementation process have limited the ability to respond to legislative changes to the program, satisfy audit requirements, cope with processing needs, and respond adequately to information demands.

The cost differences between the recommended improvements to the existing system and the new successor system have been determined but in very broad terms. This fall we are planning a combined inhouse and outside contractor effort to conduct a feasibility study in which detailed comparisons will be made between the cost of retaining the total existing computer system and making the necessary enhancements to continue with this system over the next 4 years versus implementation of a more refined and improved computer system for the program.

Mr. FLOOD. Since you can't tell the players without a score card, I have here the weekly compilation of Presidential documents, Monday, April 22, 1974, and there I find that John R. Ottina is being appointed an Assistant Secretary of Health, Education, and Welfare. So we will expect to see you back with your new hat. Our compliments.

Dr. OTTINA. Thank you, Mr. Chairman.

Mr. FLOOD. Thank you, gentlemen.

# JUSTIFICATION OF THE BUDGET ESTIMATES

## OFFICE OF EDUCATION

### Salaries and Expenses

### Amounts Available for Obligation[1]

| | 1974 Revised | 1975 |
|---|---|---|
| Appropriation | $ 86,747,000 | $127,284,000 |
| Amount withheld (P.L. 93-192) | -93,000 | --- |
| Proposed supplementals* | +7,522,000 | --- |
| Subtotal, adjusted appropriation | 94,176,000 | 127,284,000 |
| Real transfers to: | | |
| "Office of the Secretary" (Public Affairs Savings) | -226,000 | --- |
| "General Services Administration" (Rent) | -140,000 | --- |
| Comparative transfers to: | | |
| "Departmental Management" (Working Capital Fund payroll activities) | -132,000 | --- |
| "Assistant Secretary for Education" (Planning and evaluation activities) | -475,000 | --- |
| "Indian Education" (Administration) | -1,759,000 | --- |
| Comparative transfers from: | | |
| "Departmental Management" (Indirect Cost Negotiation) | +271,000 | --- |
| "Elementary and Secondary Education" (Title I Advisory committee) | +185,000 | --- |
| "Occupational, Vocational and Adult Education" (Vocational and Adult Advisory committees) | +496,000 | --- |
| "Emergency School Assistance" (Planning and Evaluation activities) | +2,489,000 | --- |
| "Educational Development" (Data systems improvement) | +8,750,000 | --- |
| Subtotal, budget authority | 103,635,000 | 127,284,000 |
| Unobligated balance restored | 3,650,000 | --- |
| Total, obligations | 107,285,000 | 127,284,000 |

[1] Excludes the following amounts for reimbursable activities carried out by this account: 1974 - $300,000; 1975 - $300,000.

* Includes $4,073,000 pay transfer from "Library Resources."

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $107,285,000 |
| 1975 Estimated obligations | 127,284,000 |
| Net change | +19,999,000 |

| | Base | Changes from Base |
|---|---|---|
| **Increases:** | | |
| A. Built-in: | | |
| 1. Annualization of personnel costs for authorized positions funded for only part of the current year and an extra paid day in fiscal year 1975 | $73,275,000 | $ + 9,255,000 |
| 2. Increased amount for Working Capital Fund Activities | 2,037,000 | + 134,000 |
| 3. Increased amount for SLUC (rent) Charges | --- | + 3,953,000 |
| Subtotal | --- | +13,342,000 |
| B. Program: | | |
| 1. Increased planning and evaluation activities | 7,219,000 | + 1,781,000 |
| 2. Increase for dissemination activities | --- | + 4,000,000 |
| 3. Increased amount for training | 845,000 | + 205,000 |
| 4. Increase for ADP | 8,759,000 | + 2,464,000 |
| Subtotal | --- | + 8,450,000 |
| Total, increases | --- | +21,792,000 |
| **Decreases:** | | |
| A. Built-in: | | |
| 1. Decrease for one-time rent cost | 52,000 | - 52,000 |
| 2. Decreased amount for transportation of things | 1,173,000 | - 936,000 |
| Subtotal | --- | - 988,000 |
| B. Program: | | |
| 1. Decreased funding for Advisory Committees | 1,205,000 | - 5,000 |
| 2. Decreased amount for Data Systems Improvement | 12,400,000 | - 800,000 |
| Subtotal | --- | - 805,000 |
| Total, decreases | --- | - 1,793,000 |
| Total, net change | --- | +19,999,000 |

## Explanation of Changes

Built-in Increases:

1. The increase of $9,255,000 is necessary for the annualization of personnel-related costs for new positions funded for only part of fiscal year 1974.

This amount includes $218,000 for the extra paid day in fiscal year 1975.

2. In fiscal year 1975, an increase of $134,000 will be necessary to cover the services provided to the Office of Education by the Department's Working Capital Fund.

3. In fiscal year 1975 the Office of Education will begin paying rent charges. An amount of $3,953,000 will be needed for this "standard level user charge."

Program increases:

1. The increase of $1,781,000 in planning and evaluation will be used for the initiation of twelve formal evaluations on educational programs not previously performed and the continuation of eight multi-year studies begun in fiscal year 1974 and prior years.

2. There were no funds for the General Program Dissemination programs in fiscal year 1974. The request of $4,000,000 in 1975 will be used to initiate several projects which would be useful in providing the general public and members of the education community with information about new educational developments.

3. An increase of $205,000 is requested to fund an executive training program.

4. A net increase of $2,464,000 is requested in data support services for the Guaranteed Student Loan program.

Built-in decreases:

1. A decrease of $52,000 for one-time rent costs in fiscal year 1974 is requested.

2. A decrease of $936,000 is requested for transportation of things due to a one-time cost in fiscal year 1974.

Program decreases:

1. Various changes in the funding levels of the Advisory Committees will result in a net decrease of $5,000 in fiscal year 1975.

2. The FY 1974 operating level for Data Systems Improvement includes obligations of funds appropriated in FY 1973 ($3,650,000) but not released for obligation until FY 1974, and therefore represents an actual decrease in budget authority when comparing the FY 1975 level with the FY 1974 level. However, when the FY 1975 requested appropriation is compared with the FY 1974 appropriation, this activity will result in an increase of $2,850,000. An increase of $1,350,000 is for the Common Core of Data in fiscal year 1975. That amount will be used to develop both long and short-term elements in an integrated Federal-State-local system of educational statistics. The remaining $1,500,000 will be used to initiate a new study under the National Assessment of Education Progress programs and to report the results of several studies conducted in prior years.

Obligations by Activity

| Page Ref. | 1974 Base |  | 1975 Estimate |  | Increase or Decrease |  |
|---|---|---|---|---|---|---|
|  | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Program administration.............. | 3,063 | $ 86,461,000 | 2,949 | $101,484,000 | -114 | $+15,023,000 |
| Planning and evaluation.............. | -- | 7,219,000 | -- | 9,000,000 | -- | +1,781,000 |
| General program dissemination: |  |  |  |  |  |  |
| (a) Dissemination.... | -- | --- | -- | 500,000 | -- | +500,000 |
| (b) Packaging and field testing.. | -- | --- | -- | 3,500,000 | -- | +3,500,000 |
| Advisory committees.. | -- | 1,205,000 | -- | 1,200,000 | -- | -5,000 |
| Data systems improvement: |  |  |  |  |  |  |
| (a) Educational statistics: |  |  |  |  |  |  |
| (1) Surveys and special studies.... | -- | 4,250,000<br>(6,900,000) | -- | 4,250,000 | -- | --- |
| (2) Common core of data.... | -- | --- | -- | 1,350,000 | -- | +1,350,000 |
| (b) National assessment of education progress | -- | 4,500,000<br>(5,500,000) | -- | 6,000,000 | -- | +1,500,000 |
| Total obligations (base ). | 3,063 | 103,635,000 | 2,949 | 127,284,000 | -114 | +23,649,000 |
| Total obligations......... |  | (107,285,000) |  |  |  |  |

## Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Total number of permanent positions.... | 3,063 | 2,949 | -114 |
| Full-time equivalent of all other positions.......................... | 292 | 292 | --- |
| Average number of all employees........ | 3,001 | 3,288 | +287 |
| Personnel compensation: | | | |
| Permanent positions................ | $ 48,868,000 | $ 54,774,000 | $ +5,906,000 |
| Positions other than permanent....... | 2,239,000 | 2,580,000 | +341,000 |
| Other personnel compensation......... | 254,000 | 281,000 | +27,000 |
| Subtotal, personnel compensation.. | 51,361,000 | 57,635,000 | +6,274,000 |
| Personnel benefits.................... | 4,333,000 | 4,843,000 | +510,000 |
| Travel and transportation of persons... | 3,427,000 | 3,795,000 | +368,000 |
| Transportation of things............... | 1,173,000 | 237,000 | -936,000 |
| Rent, communication and utilities...... | 3,824,000 | 8,128,000 | +4,304,000 |
| Printing and reproduction............. | 2,878,000 | 3,187,000 | +309,000 |
| Other services........................ | 18,244,000 | 23,346,000 | +5,102,000 |
| Project contracts.................. | 20,552,000 | 24,600,000 | +4,048,000 |
| Supplies and materials................ | 514,000 | 542,000 | +28,000 |
| Equipment............................. | 979,000 | 971,000 | -8,000 |
| Total obligations by object......... | 107,285,000 | 127,284,000 | +19,999,000 |
| Total obligations excluding 1973 appropriation restoration......... | 103,635,000 | 127,284,000 | +23,649,000 |

## Authorizing Legislation

| | 1975 | |
|---|---|---|
| Legislation | Authorized | Appropriation Requested |
| General Education Provisions Act: | | |
| Section 400(c) -- Administration................ | Indefinite | $101,464,000 |
| Part D -- Advisory Committees.................. | Indefinite | 1,200,000 |
| Section 411 -- Program Planning and Evaluation.. | $25,000,000 | 8,000,000 |
| Section 422 -- Dissemination................... | Indefinite | 500,000 |
| Cooperative Research Act......................... | $78,000,000 | 16,100,000[1/] |

[1/] Includes $3,500,000 for Dissemination, $1,000,000 for Planning and Evaluation, and $11,600,000 for Data Systems Improvement.

In addition to the $16,100,000 requested here, additional amounts of $19,000,000 under the Elementary and Secondary Education appropriation and $10,000,000 under the Occupational, Vocational, and Adult Education appropriation are requested under the Cooperative Research Act for a total amount requested of $45,100,000.

Salaries and Expenses

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1965 | $ 20,977,500 | $ 19,877,500 | $ 19,977,500 | $ 19,977,500 |
| 1966 | 26,827,500 | 24,752,500 | 24,977,500 | 24,977,500 |
| 1967 | 38,068,184 | 35,565,184 | 30,280,184 | 32,430,184 |
| 1968 | 51,326,400 | 43,083,400 | 43,083,400 | 43,083,400 |
| 1969 | 63,250,112 | 49,745,112 | 45,871,112 | 50,292,112 |
| 1970 | 86,546,000 | 83,978,316 | 84,928,316 | 84,402,316 |
| 1971 | 113,867,281 | 107,371,281 | 101,478,281 | 102,478,281 |
| 1972 | 101,518,800 | 99,087,800 | 100,418,800 | 100,474,001 |
| 1973 | 113,249,000 | 107,801,000 | 110,176,000 | 110,081,000 |
| 1974 | 106,188,000 | 96,538,000 | 95,315,000 | 96,815,000 |
| 1974 Proposed Pay Transfer | 4,073,000 | | | |
| 1974 Proposed Supplemental | 3,449,000 | | | |
| 1975 | 127,284,000 | | | |

## Justification

## Salaries and Expenses

| | 1974 Base* | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Program administration (GEPA, Sec. 400(c))..... | 3,063 | $ 86,461,000 | 2,949 | $101,484,000 | -114 | $+15,023,000 |
| Planning and evaluation (GEPA, Sec. 411 and Coop. Res. Act)......... | -- | 7,219,000 | -- | 9,000,000 | -- | +1,781,000 |
| General program dissemination: | | | | | | |
| (a) Dissemination (GEPA, Sec. 422)......... | -- | --- | -- | 500,000 | -- | +500,000 |
| (b) Packaging and field testing (Coop. Res. Act)......... | -- | --- | -- | 3,500,000 | -- | +3,500,000 |
| Advisory committees (GEPA, Part D)................ | -- | 1,205,000 | -- | 1,200,000 | -- | -5,000 |
| Data systems improvement (Coop. Res. Act):..... | | | | | | |
| (a) Educational statistics: | | | | | | |
| (1) Surveys and special studies....... | -- | 4,250,000 | -- | 4,250,000 | -- | --- |
| (2) Common Core of Data.......... | -- | --- | -- | 1,350,000 | -- | +1,350,000 |
| (b) National assessment of education progress.......... | -- | 4,500,000 | -- | 6,000,000 | -- | +1,500,000 |
| Total.................... | 3,063 | 103,635,000 | 2,949 | 127,284,000 | -114 | +23,649,000 |

### General Statement

For fiscal year 1975, the request for "Salaries and expenses" for the Office of Education includes the necessary expenses for the administration of all Office of Education programs (except 50 positions budgeted for in "Indian Education"), Office of Education Advisory Committees, and planning and evaluation activities. In addition to the foregoing activities, for which funds were appropriated in this account in fiscal year 1974, our fiscal year 1975 request includes General Program Dissemination, for which no funds were appropriated in fiscal year 1974, and Data Systems Improvement, which was transferred from "Educational Development."

The requested increase of $23,649,000 is made up of mainly built-in increases for administration and increases for activities which were not funded in fiscal year 1974.

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* Excludes 1973 appropriation restorations.

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Program administration.... | 3,063 | $86,461,000 | 2,949 | $101,484,000 | -114 | $+15,023,000 |

## Narrative

### Program Purpose

Authorized under Sec. 400(c) of the General Education Provisions Act, this activity provides for salaries and expenses necessary to enable the Commissioner to carry out the purpose and duties of the Office of Education. The major duties of the Office are to collect statistics showing the condition and progress of education in the United States, to disseminate such information, to aid in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country.

### Plans for fiscal year 1975

The budget request for program administration for fiscal year 1975, although incorporating a request for an increase of $15,023,000, represents a net decrease of 114 positions. The increase is primarily made up of a charge for rent, $3,953,000 which is included in our budget for the first time this year, a $2,464,000 net increase in ADP to continue improving management of the Guaranteed Student Loan Program, and $9,255,000 to annualize personnel costs for authorized positions funded for only part of FY 1974.

Some 300 [illegible] positions are needed for categorical programs that are being folded in to the Consolidated Education Grants programs, and about 150 fewer are needed for positions associated with programs for which decreased support is requested. To offset these decreases the Office is requesting that about 350 of the positions be reprogrammed to areas for which increases are requested and to provide technical assistance in the implementation of Grants Consolidation. Detailed descriptions of these changes follow for each major organizational unit. The organizational units are those resulting from a reorganization of the Office of Education completed in fiscal year 1974.

### Accomplishments in fiscal year 1974

During 1974 the Office of Education was reorganized to create a more flexible, efficient and effective organization.

The reorganization was prompted by changes occurring in several programs after implementation of the Education Amendments of 1972 and by the need to streamline the Office generally. After the establishment of the Office of Assistant Secretary of Education and the National Institute of Education, several units under the Deputy for External Relations and the Deputy for Development were transferred to those new offices. The legislative creation of the Office of Indian Education, the Bureau of Occupational and Adult Education, the Basic Opportunity Grants Program, and the placement of the Teacher Corps in the immediate Office of the Commissioner further pointed up the need to shift some units, disperse the functions of others, and make the operations of the Office more efficient.

A major effort is proposed in a fiscal year 1974 supplemental request to strengthen and improve the administration of the Guaranteed Student Loan program. The supplemental request to support 250 new positions and related expenses has been included in the fiscal year 1974 column of this budget justification.

Summary of Positions

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Office of the Commissioner............. | 136 | 138 | + 2 |
| Regional offices....................... | 868 | 873 | + 5 |
| Bureau of Management................... | 491 | 491 | --- |
| Bureau of Planning..................... | 276 | 276 | --- |
| Bureau of Postsecondary Education...... | 575 | 611 | + 36 |
| Bureau of Occupational and Adult Education............................ | 168 | 83 | - 85 |
| Bureau of School Systems............... | 549 | 477 | - 72 |
| Bureau of Indian Education *........... | (50) | (50) | --- |
| Total............................. | 3,063 | 2,949 | - 114 |

*Included in "Indian Education".

The above summary of positions shows the distribution of permanent staff by major organizational unit within the Office of Education. A more detailed presentation for each of the organizational units follows, and also included is a special analysis that summarizes the request by aggregating the increases and decreases in positions. Because they represent major program efforts and cut across several organizational entities, the Education Grants Consolidation proposal and the Guaranteed Student Loan Program are discussed in greater detail in the special analysis provided.

Office of the Commissioner

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate office........................ | 25 | 25 | -- |
| Right to Read........................... | 24 | 26 | +2 |
| Teacher Corps........................... | 32 | 32 | -- |
| Office of Public Affairs................ | 48 | 48 | -- |
| Regional Liaison staff.................. | 7 | 7 | -- |
| Total................................... | 136 | 138 | +2 |

In addition to providing central direction of program objectives to maintain coordinated and cohesive management, this Office also includes the Right to Read program, the Teacher Corps and the Office of Public Affairs. With the reorganization of the Office of Education, coordination of the ten regional offices has been transferred to the Office of the Commissioner and will be under the Executive Deputy Commissioner. For fiscal year 1975 an increase of two positions is requested for the Right to Read program, which has as objectives for the coming year:

- -- to eliminate functional illiteracy in the country to the extent that by 1980, nearly all of the population over 16 years old will be functionally literate;
- -- to encourage educational institutions, governmental agencies and private organizations to improve and expand their activities relating to reading; and
- -- to develop an adult literacy television program.

The Office of Public Affairs will support a general program dissemination effort, for which the budget requests $500,000. Planned projects include, among others, a film on changing attitudes about, and new opportunities for women and minorities in the field of education, a series of radio and television spots on student financial aid, and distribution of selected films.

The Teacher Corps will continue at last year's level.

Regional Offices

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Regional Commissioners and Staff......... | 158 | 158 | -- |
| School Systems: | | | |
| Office of Director.................... | 26 | 26 | -- |
| Title I, ESEA Program................. | 11 | -- | -11 |
| Emergency School Assistance and Civil Rights................................ | 147 | 119 | -28 |
| School Assistance in Federally Affected Areas................................ | 33 | 33 | -- |
| Postsecondary Education: | | | |
| Office of Director.................... | 22 | 25 | +3 |
| Higher Education Facilities............ | 24 | 21 | -3 |
| Basic Opportunity Grants............... | 49 | 65 | +16 |
| TRIO programs.......................... | 35 | 35 | -- |
| Insured Loan Program................... | 265 | 337 | +72 |
| Library programs....................... | 12 | 2 | -10 |
| Occupational and Adult Education: | | | |
| Office of the Director................. | 21 | -- | -21 |
| Vocational Education................... | 26 | -- | -26 |
| Adult Education........................ | 15 | -- | -15 |
| Development programs................... | 24 | 24 | -- |
| Consolidated Education Programs......... | -- | 28 | +28 |
| Total................................ | 868 | 873 | +5 |

Coordination of activities of the ten regional offices is now under the Executive Deputy Commissioner in the Office of the Commissioner. A net increase of five positions is requested for fiscal year 1975. The total decreases requested, 114 positions, correspond to programs proposed for inclusion in the Education Grants consolidation program (Title I of ESEA, School library programs, and Occupational and adult education programs) and to programs for which decreased support is requested. Increases requested are to support technical assistance for Grants Consolidation and to strengthen areas in Postsecondary Education for the Basic Opportunity Grants Program and the Insured Loan program. The fiscal year 1975 request for the regional offices anticipates a new consolidated education grant legislative program for Vocational and Adult Education, and reflects a corresponding decrease of 62 positions. In the event that this new legislation is not enacted, positions for 1975 will be requested to support existing legislative authorities for which funds will be requested.

The 1974 positions for the regions include 180 positions requested in the 1974 supplemental request for the Guaranteed Student Loan program.

Office of Management

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate Office | 57 | 57 | -- |
| Committee Management | 3 | 3 | -- |
| Information Acquisition Policy Staff | 4 | 4 | -- |
| Office of Business Management: | | | |
| Immediate Office | 4 | 4 | -- |
| Audit Liaison and Coordination Staff | 7 | 7 | -- |
| Regulation and Guideline Study | 10 | 10 | -- |
| Finance Division | 95 | 95 | -- |
| Contracts and Grants Division | 109 | 109 | -- |
| Application Control Center | 10 | 10 | -- |
| Office of Administration: | | | |
| Immediate Office | 4 | 4 | -- |
| Personnel and Training Division | 42 | 42 | -- |
| General Services Division | 44 | 44 | -- |
| Automatic Data Processing Division | 55 | 55 | -- |
| Office of Management Planning and Evaluation: | | | |
| Immediate Office | 4 | 4 | -- |
| Systems Planning and Control Division | 9 | 9 | -- |
| Management Evaluation Division | 19 | 19 | -- |
| Management Interns | 15 | 15 | -- |
| Total | 491 | 491 | -- |

The reorganization of the Office of Education establishes a new Office of Management, which incorporates management functions previously in the Deputy Commissioner for Planning, Evaluation and Management.

This Office provides services in the areas of finance, contracts and grants, personnel, general services, management evaluation and administrative budgeting. Office of Management responsibilities include provision of administrative support to the agency and development, maintenance, and presentation to the Commissioner and program managers of timely and accurate information concerning the status of available administrative resources to aid them in making decisions concerning management of the Office of Education.

In fiscal year 1975, the Office of Management will place major emphasis on strengthening and improving several management areas including improvement of the Office of Education's personnel management system, formulation of plans for decentralization activities and strengthening space and equipment management. In addition, it is planned that priority attention will be given to improving Office of Education contracts and grants procedures, continuing efforts to up-date education program regulations, and to increasing the efficiency of staff utilization through relating manpower requirements to quantitative workload factors.

No change in the number of positions is requested. The 1974 figures include 18 positions requested in the fiscal year 1974 supplemental.

Office of Planning

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate Office | 14 | 14 | -- |
| Office of Legislation | 20 | 20 | -- |
| Office of Planning, Budgeting and Evaluation: | | | |
| Immediate Office | 15 | 15 | -- |
| Elementary and Secondary Programs Division | 14 | 14 | -- |
| Postsecondary and International Programs Division | 9 | 9 | -- |
| Vocational and Handicapped Programs Division | 5 | 5 | -- |
| Developmental Programs Division | 6 | 6 | -- |
| Budget Division | 23 | 23 | -- |
| National Center for Educational Statistics: | | | |
| Immediate Office | 21 | 21 | -- |
| Survey Planning and Analysis Division | 63 | 63 | -- |
| Statistical Information and Studies Division | 40 | 40 | -- |
| Survey Operations Division | 16 | 16 | -- |
| Intergovernmental Statistics Division | 30 | 30 | -- |
| Total | 276 | 276 | -- |

The reorganization of the Office of Education establishes a new Office of Planning, which incorporates those planning and budgeting functions previously with the Deputy Commissioner for Planning, Evaluation, and Management. It also includes the National Center for Educational Statistics.

For fiscal year 1975 nine formal evaluations will be initiated of educational programs not previously studied in order to assess objectively the impact and effectiveness of Office of Education administered programs. Also, in addition, to continuing activities in the areas such as bilingual education, student aid, and vocational education, seven planning studies will be initiated to help clarify educational problems and issues that include a study of the effects of school busing, analysis of new census data with respect to college and occupational school students, and analysis of educational technology developments and a series of school finance studies.

The National Center for Educational Statistics, which is located in this Office, plans to continue its basic program of acquiring statistical information for use by educational managers, planners, and policy-makers. The Center also plans to support the Common Core of Data program, which will develop an integrated and interlocking system of educational statistics to meet Federal, State, local and institutional needs for planning and management. The National Assessment of Educational Progress project will continue in fiscal year 1975 at a $6,000,000 level to collect data on the attainment of selected groups of young Americans and to report changes in attainment over regular intervals.

No change in the number of positions is requested.

## Bureau of Postsecondary Education

|  | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate Office | 33 | 38 | +5 |
| College and University Unit | 6 | 7 | +1 |
| Community College Staff | 6 | 7 | +1 |
| Accreditation and Institutional Eligibility Staff | 20 | 23 | +3 |
| Consolidated education programs | — | 4 | +4 |
| Office of Student Assistance: |  |  |  |
| Immediate Office | 10 | 12 | +2 |
| Division of Basic Grants: |  |  |  |
| Basic Opportunity Grants | 58 | 110 | +52 |
| Division of Insured Loans: |  |  |  |
| Insured Loans | 134 | 134 | — |
| Student Loan Insurance Fund | 25 | 25 | — |
| Reserve Fund Advances | 1 | 1 | — |
| Division of Student Support and Special Programs |  |  |  |
| Supplementary Educational Opportunity Grants and Work-Study | 32 | 32 | — |
| Student Loans | 26 | 26 | — |
| Loans to Institutions | 3 | 3 | — |
| Teacher Cancellations | 2 | 2 | — |
| Talent Search | 5 | 5 | — |
| Special Services in College | 5 | 5 | — |
| Upward Bound | 4 | 4 | — |
| Educational Opportunity Centers | 5 | 5 | — |
| Incentive grants | 6 | — | -6 |
| Veterans Cost of Instruction | 7 | — | -7 |
| Office of Institutional Development and International Education: |  |  |  |
| Immediate Office | 10 | 12 | +2 |
| Division of Institutional Development: |  |  |  |
| Developing Institutions | 37 | 40 | +3 |
| Division of Training and Facilities: |  |  |  |
| State Administration and Planning | 4 | — | -4 |
| Construction (HEFA III) | 15 | 13 | -2 |
| Construction (Community Colleges and Technical Institutes) | 1 | 1 | — |
| Construction (Other Undergraduates) | 2 | 2 | — |
| College Teacher Fellowships | 3 | 3 | — |
| Training Programs (EPDA, Part E) | 2 | 2 | — |
| Institute Programs (EPDA, Part E) | 1 | 1 | — |
| Land Grant Colleges | 1 | — | -1 |
| Cooperative Education | 4 | 14 | +10 |
| University Community Services | 8 | 3 | -5 |

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Office of Institutional Development and International Education: (cont'd) | | | |
| Division of Library Programs: | | | |
| Public Libraries: | | | |
| Services | 9 | 9 | -- |
| Interlibrary Cooperation | 2 | 2 | -- |
| Construction | 2 | -- | -2 |
| School Libraries | 9 | -- | -9 |
| College Libraries: | | | |
| Resources | 7 | 5 | -2 |
| Training | 5 | 3 | -2 |
| Research | 4 | 2 | -2 |
| Undergraduate Instructional Equipment | 2 | 1 | -1 |
| Equipment and minor remodeling | 1 | -- | -1 |
| Division of International Education: | | | |
| International Activities | 25 | 25 | -- |
| Language Training and Area Studies | 9 | 9 | -- |
| Fulbright-Hays | 11 | 11 | -- |
| Foreign Visitors | 4 | 4 | -- |
| Ethnic Heritage | 5 | 2 | -3 |
| Educational Activities Overseas | 4 | 4 | -- |
| Total | 575 | 611 | +36 |

The Bureau of Postsecondary Education is responsible for Federally supported postsecondary education programs for both students and institutions and also includes international programs. The fiscal year 1975 request includes a net increase of 36 positions for this bureau, primarily made up of increases for the Basic Opportunity Grants program and decreases for library and facilities programs. The fiscal year 1974 figures for this bureau include 52 positions for the Guaranteed Student Loan program included in the fiscal year 1974 supplemental request, which is discussed in greater detail in the accompanying special analysis.

Major objectives of this bureau include:

-- full-funding of the Basic Educational Opportunity Grants program, which will result in funding for the first time support for all four classes. In the previous two years support was limited to first-year full-time and second-year full-time students;

-- termination of support for the Incentive Grants and Veterans Cost of Instruction programs;

-- a phase out of library, Higher Education Facilities, and University Community Services programs;

-- increased support for the advanced/developed portion of the Developing Institutions program and continued support for the basic program; and

-- increased support for review and operation of the Cooperative Education program.

Bureau of Occupational and Adult Education

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate Office | 2 | 2 | -- |
| Planning Office | 2 | 2 | -- |
| Executive Office | 6 | 6 | -- |
| Consolidated Education Programs | -- | 30 | +30 |
| Occupational Planning Unit: | | | |
| Immediate Office | 4 | 4 | -- |
| Planning Office | 8 | 8 | -- |
| Division of Career Education: | | | |
| Immediate Office | 6 | 5 | -1 |
| Division of Career Education Programs | 10 | 10 | -- |
| Division of Educational Systems Development | 45 | 15 | -30 |
| Office of Adult, Vocational, Technical, and Manpower Education: | | | |
| Immediate Office | 5 | -- | -5 |
| Division of Adult Education: | | | |
| State Plans Program | 5 | -- | -5 |
| Special Projects | 13 | -- | -13 |
| Teacher Training | 6 | -- | -6 |
| Division of Vocational and Technical Education: | | | |
| Basic Grants | 17 | -- | -17 |
| Basic Grants - Disadvantaged | 1 | -- | -1 |
| Basic Grants - Handicapped | 1 | -- | -1 |
| Basic Grants - Postsecondary | 5 | -- | -5 |
| Special Needs | 1 | -- | -1 |
| Consumer and Homemaking Education | 2 | -- | -2 |
| Cooperative Education | 2 | -- | -2 |
| Work-study | 1 | -- | -1 |
| State Advisory Council | 1 | -- | -1 |
| ARC (Appalachia Voc. Ed. Facilities) | 1 | 1 | -- |
| Division of Research and Demonstration: | | | |
| Vocational Research | 10 | -- | -10 |
| Curriculum Development | 7 | -- | -7 |
| Innovation | 7 | -- | -7 |
| Total | 168 | 83 | -85 |

The Bureau of Occupational and Adult Education's staffing request for fiscal year 1975 anticipates a new consolidated education grant legislative program for Vocational and Adult Education, and reflects a corresponding decrease. In the event that this new legislation is not enacted, positions for 1975 will be requested to support existing legislative authorities for which funds will be requested. Other major objectives of this Bureau include:

-- continuing the Urban/Rural school development programs at a reduced level;

-- termination of other Education Professions Development categorical programs, support for which would be generally available under Higher Education student assistance programs; and

-- in cooperation with the National Institute of Education to plan and implement a Career Education dissemination strategy and to initiate a small number of career installation-demonstration projects.

Bureau of School Systems

| | 1974 | 1975 | Increase or Decrease |
|---|---|---|---|
| Immediate Office | 47 | 97 | +50 |
| Consolidated Education Programs | -- | 58 | +58 |
| Office of Equal Educational Opportunities: | | | |
| Immediate Office | 5 | 4 | -1 |
| Division of Program Operations | 34 | 24 | -10 |
| Division of Program Development | 26 | 19 | -7 |
| Office of Compensatory Educational Programs: | | | |
| Immediate Office | 7 | 7 | -- |
| Division of Education for the Disadvantaged: | | | |
| Title I | 62 | -- | -62 |
| Migrant | 10 | -- | -10 |
| Division of Follow-Through | 31 | 31 | -- |
| Division of Bilingual Education | 40 | 40 | -- |
| Office of State and Local Educational Programs: | | | |
| Immediate Office | 6 | 6 | -- |
| Division of Supplementary Centers and Services: | | | |
| State Plans | 26 | -- | -26 |
| Discretionary Grants | | | |
| Division of State Assistance (Title V) | 27 | -- | -27 |
| Division of Technology and Environmental Education: | | | |
| Environmental Education | 4 | -- | -4 |
| National Center for Educational Technology: | | | |
| Immediate Office | 21 | 21 | -- |
| Education Broadcasting Facilities | | | |
| Emergency School Assistance/Educational TV | | | |
| Sesame Street (Title III) | | | |
| Division of Drug Education - Nutrition and Health Programs: | | | |
| Drug Education | 12 | -- | -12 |
| Nutrition and Health | 6 | -- | -6 |
| Division of School Assistance in Federally Affected Areas | 54 | 54 | -- |
| Office of Programs for the Handicapped: | | | |
| Immediate Office | 30 | 30 | -- |
| Division of Innovation and Development | 16 | 16 | -- |
| Division of Personnel Preparation | 31 | 31 | -- |
| Division of Educational Services | 54 | 39 | -15 |
| Total | 549 | 477 | -72 |

The fiscal year 1975 request for the Bureau of School Systems is for a net decrease of 72 positions from the fiscal year 1974 level. The major decreases are for those programs to be included in the Consolidated Grants Program, which is discussed in greater detail in the special analysis provided. The Office of Education is requesting that 50 authorized positions be reprogrammed to support a new Packaging and Field Testing Program.

Other major objectives of this Bureau include:

-- a new Desegregation Assistance Projects program that would serve the most pressing needs of current and foreseeable desegregation;

-- termination of the Drug Abuse Education program;

-- a continuation of phasing out the Follow Through program; and

-- a realignment of funding priorities in the School Assistance in Federally Affected Areas program.

## SUPPLEMENTAL FACT SHEET AND SPECIAL ANALYSES

### Program Administration

### Position Increases and Decreases - FY 1975

| | Change |
|---|---|
| Decreases from FY 1974 Level: | |
| Categorical Programs Included in the Consolidated Education Grants Program: | |
| Elementary and Secondary Education: | |
| Disadvantaged: | |
| Educationally Deprived Children | -83 |
| Handicapped: | |
| Grants to States | -15 |
| Support Services: | |
| School Library Resources | -9 |
| Educational Equipment | -1 |
| Strengthening State Departments of Education | -27 |
| Innovation: | |
| Supplementary Services | -26 |
| Dropout Prevention | -4 |
| Nutrition and Health | -6 |
| Environmental Education | -4 |
| Subtotal, Elementary and Secondary Education | -175 |
| Vocational Education | -97 |
| Adult Education | -49 |
| Subtotal, Consolidated Education Grants Program | -321 |
| Programs Phased Out (O) or with Decreased Support (D): | |
| Drug Abuse Education | -12 (O) |
| Emergency School Aid | -60 (D) |
| Education Professions Development | -26 (D) |
| Incentive Grants for State Scholarships | -6 (O) |
| Higher Education Construction | -5 (D) |
| University Community Services | -5 (O) |
| Aid to Land-Grant Colleges | -1 (O) |
| State Postsecondary Education Commissions | -4 (O) |
| Veterans Cost of Instruction | -7 (O) |
| Ethnic Heritage Studies | -3 (O) |
| Library Programs | -19 (O) |
| Career Education and Education Professions Development Support Positions | -1 (D) |
| Subtotal, Phased Out and Decreased Support Positions | -149 |
| Total, Decreases | -470 |

| | Change |
|---|---|
| **Increases over FY 1974 Level:** | |
| New Programs (N) or Programs with Increased Support (I): | |
| Right to Read | +2 (I) |
| Civil Rights Advisory Services | +14 (I) |
| Basic Opportunity Grants | +68 (I) |
| Cooperative Education | +10 (I) |
| Guaranteed Student Loan Program | +72 (I) |
| Strengthening Developing Institutions | +3 (I) |
| Regions - Higher Education | +3 (I) |
| Overhead - Higher Education | +14 (I) |
| Packaging and Field Testing | +50 (N) |
| Consolidated Education Grants Program | +120 (N) |
| (Regional Offices) | (+28) |
| (Bureau of Postsecondary Education) | (+4) |
| (Bureau of Occupational and Adult Education) | (+30) |
| (Bureau of School Systems | (+58) |
| Total, Increases | +356 |
| Net Change | -114 |

SPECIAL ANALYSIS

Education Grants Consolidation

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Positions associated with categorical programs to be consolidated | 321 | ($10,040,000) | -- | ($5,437,000) | -321 | ($-4,603,000) |
| Positions to render technical assistance and monitor programs under grants consolidation | -- | --- | 120 | ($3,049,000) | +120 | ($+3,049,000) |
| Total | 321 | ($10,040,000) | 120 | ($8,486,000) | -201 | ($-1,554,000 |

Narrative

Management Objectives

A major management goal of the Office of Education is to provide increased flexibility in the use of Federal Funds through consolidation of categorical programs. There are four major objectives:

-- To allow for better planning and budgeting by State and local officials;

-- To increase the flexibility of school officials in meeting local priorities;

-- To achieve greater equity in the distribution of Federal assistance; and

-- To simplify the administration of the program.

To achieve these objectives, pending legislative proposals provide for (1) consolidation of related categorical programs into broader areas of support; (2) funding of appropriations a year in advance of the period for which they would be used; and (3) new allocation formulas to distribute assistance to States and localities.

The 120 position increase is requested to provide the Office of Education with the staff necessary to provide the needed technical assistance to State and local officials and to provide monitoring capability for the consolidated grants programs.

The decreases of 321 positions are related to the objective to simplify the administration of the programs and the objective to provide flexibility to State and local officials in meeting their priorities. Because programs are being consolidated and the Federal role in planning and developing programs in priority areas is being shifted to the States, program personnel can be decreased. The 321 positions specifically allocated to programs being consolidated are therefore being eliminated.

Guaranteed Student Loan Program

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Positions associated with GSLP........... | 508 | ($13,173,000) | 580 | ($23,623,000) | +72 | ($+10,450,000) |

## Narrative

### Management Objectives

A major management goal of the Office of Education for fiscal year 1975 is to continue to strengthen administration of the Guaranteed Student Loan Program (GSLP). Specific objectives include:

-- improving collections on defaulted loans;

-- increasing the number and quality of the program reviews of participating lenders and schools;

-- reducing the default rate by expanding pre-claims assistance to lenders;

-- improving the management information system;

-- improving the financial accountability system and quality of the data base;

-- improving the accuracy of interest billings;

-- simplifying paperwork;

-- developing more accurate projections of subsidy and default claim requirements;

-- reviewing operational procedures to provide for more efficient program management;

-- improving claims processing;

-- increase lender participation and the making of non-subsidized loans;

-- continuing the consolidation of all related GSLP functions under a single project manager; and

-- designing a more sophisticated and improved computer system to assure sound long-range management and administration of the program.

## Management Action to Date - Need for Additional Resources

The need for these management actions has been highlighted in a number of critical General Accounting Office and HEW audit reports. In partial response to these findings, for fiscal year 1974, 250 additional positions have been requested in a supplemental appropriation and 47 of the 200 new positions authorized in the regular appropriation bill for the programs restored by the Congress have been reprogrammed for the Guaranteed Student Loan Program.

Further studies, however, have shown that these actions will still be inadequate to meet the collection and other managerial responsibilities required to administer this program. Therefore, the Office of Education is requesting an additional 72 positions and related administrative costs.

## Workload Data and Manpower Requirements

In developing the estimate for additional resources, every effort has been made to relate manpower requirements to specific management objectives and to workload data.

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Collections: | | | |
| Collectors | 135 | 172 | +37 |
| Clerical/Support | 52 | 52 | -- |
| Subtotal | 187 | 224 | +37 |
| Pre-claims Assistance: | | | |
| Program Examiners | 40 | 75 | +35 |
| Clerical/Support | 48 | 48 | -- |
| Subtotal | 88 | 123 | +35 |
| Program Operations and Development: | | | |
| Development | 21 | 21 | -- |
| Systems | 36 | 36 | -- |
| Operations | 103 | 103 | -- |
| Support | 73 | 73 | -- |
| Subtotal | 233 | 233 | -- |
| Total | 508 | 580 | +72 |

Management objectives, manpower requirements, and workload data, for the principal Guaranteed Student Loan administrative activities are as follows:

### Collections

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Collectors | 135 | 172 | +37 |
| Man Years | 44 | 150 | +106 |

The Guaranteed Student Loan Program consists of two parts: a Federal Insurance Program and a State and private nonprofit agency insurance program. Loans made under most of the latter programs are reinsured by the Federal Government at 80 percent of their insured unpaid principal balance.

In the case of loans guaranteed by State agencies, the law requires exercise of due diligence on the part of the lender prior to the agency paying default claims. The agency has full responsibility for recovery of the loss and eighty percent of such recoveries under the program must be returned to the Federal Government for deposit in the Student Loan Insurance Fund. Under this Reinsurance Program, the Federal Government has no direct collection responsibilities.

Under the Federal Insurance Program, the lender is obliged to make all reasonable efforts to recover his losses before presenting a default claim. The Federal Government then attempts to recover directly from the student. Collection efforts were commenced centrally in 1968, but significant numbers of default claims were not received by the Office of Education until 1971. Staffing and resource constraints have prevented the Office from launching an effective collections program and demonstrating its commitment to recover on defaulted dollars. However, with an additional 109 collectors and support requested in the fiscal year 1974 supplemental request and an additional 37 requested here, it is expected that the collections program will be brought to an effective and strong level in 1975. In addition to being cost-effective, a viable collections effort will have a pronounced deterrent effect on potential defaults. Specific management objectives for such a collection program are outlined below.

Management Objectives

Management objectives include:

-- making students more aware of their responsibility to repay loans;

-- continuing and completing the assignment of Federal default files to the regional offices for direct collection responsibility;

-- conducting collection workshops for regional office and State agency personnel;

-- increasing collections in the Federal program, from $5,200,000 in 1974 to $9,700,000 in 1975, and in State programs, from $3,200,000 in 1974 to $6,100,000 in 1975;

-- accelerating litigation of defaulted borrowers; and

-- assisting and encouraging State agencies to improve their collection programs.

Resources Required

To achieve these objectives, an increase is requested of 37 positions in fiscal year 1975.

Background and Workload Data

Several tables are enclosed at the end of this narrative statement:

-- Table #1 shows the history of Federal payments for default claims, the history of amounts collected, and the amounts which remain to be collected.

-- Table #2 shows the current backlog of defaulted loans, the estimated number of additional claims per month, the number of defaults each collector can handle, and the number of collectors required to handle the annual workload.

An estimated backlog of 93,400 defaulted loans will exist on July 1, 1974 under the Federal program which will require collection action. Approximately 6,200 new claims arrive each month. On the basis of recent experience, one full-time trained collector with proper support can review 1,100 default accounts per year. Of this number, he can "cure"--or bring into active repayment--about 400. Experience with collections activity 1972 through 1974 indicates that each "cured" account will be paid in full over a 36-month period at the rate of about $30/month. Allowing for the fraction of cases which go to litigation, it is anticipated that 400 "cured" accounts will yield $300,000 in recovered payments over a 4-year period.

In addition to the collectors requested in the fiscal year 1974 supplemental that correspond to a greatly increased projected workload level beginning in that year, we are requesting an additional 37 collectors in this request for fiscal year 1975. These likewise correspond to a projected increase of loans defaulted annually from a fiscal year 1974 level of 60,000 per year to a fiscal year 1975 level of 74,400 annually.

Cost-Effectiveness

Table #2 shows the anticipated case-load generated by defaults over the period fiscal years 1973 through 1977. With approximately 150 effective collector man-years of effort in a single year, it is expected that about $45,000,000 will be collected under the Federal program in a 4-year period. This total reflects the activity of the resources proposed in the 1974 supplemental and the fiscal year 1975 appropriation request. The addition of the proposed 37 collectors in this request would augment the total generated for each year's effort by $11,100,000 over a three year period. In each of the succeeding years, assuming that 60,000 new defaulted accounts are cured, an additional $45,000,000 will be generated. The table below illustrates this concept.

(Dollars in Millions)

| | FY 1975 | FY 1976 | FY 1977 | FY 1978 | FY 1979 | FY 1980 | FY 1981 |
|---|---|---|---|---|---|---|---|
| | $ 9.0 | $13.5 | $13.5 | $ 9.0 | | | |
| | | 9.0 | 13.5 | 13.5 | $ 9.0 | | |
| | | | 9.0 | 13.5 | 13.5 | $ 9.0 | |
| | | | | 9.0 | 13.5 | 13.5 | $ 9.0 |
| | | | | | 9.0 | 13.5 | 13.5 |
| | | | | | | 9.0 | 13.5 |
| | | | | | | | 9.0 |
| Total.. | 9.0 | 22.5 | 36.0 | 45.0 | 45.0 | 45.0 | 45.0 |

Since loans are brought into payment status each working day during a fiscal year and will pay out at the end of 36 months, the actual payback period extends into a fourth year, as the model shows.

This total is illustrative, and assumes that the total complement of proposed staffing is in place for the full year to cure 60,000 defaults in fiscal year 1975. The number of cured accounts and resulting dollars generated will increase as more staff is added. An estimated 67,200 cured accounts in 1976 would yield $50,400,000 in thirty-six months.

Pre-claims Assistance

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Examiners.................................. | 40 | 75 | +35 |
| Man Years.................................. | 30 | 65 | +35 |

The statute governing the Guaranteed Student Loan Program requires that each lender exercise reasonable care and diligence in the making and collecting of guaranteed loans. State and private nonprofit agencies, in order to qualify for Federal reinsurance, must establish such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss, and to assure that due diligence will be exercised in the collection of loans insured under the program.

To the extent that all lenders and agencies adhere to the "due diligence" concept, the volume of loans in default can be held to a minimum. The objectives and activities described below are all directed toward assisting lenders and agencies in carrying out their responsibilities under this phase of the program.

## Management Objectives

Management objectives include:

- -- expanding pre-claim services to lenders (e.g., mailgrams to defaulting students);
- -- strengthening the administration of the program and reducing the default rate;
- -- encouraging State agencies to expand pre-claim services;
- -- conducting 800 program reviews and examinations of high volume and high default lenders and schools; and
- -- conducting on-going reviews on a rotational basis of over 19,000 lenders and 7,600 domestic schools to assure due diligence in the making and collection of loans.

With the proposed staffing increase of 35 examiner positions in this request, as Table #3 shows, every lender (approximately 19,000) and every domestic institution (7,600) will be reviewed at least once every three years. Problem lenders and schools will be examined more frequently.

## Program Operations and Development

|  | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Positions.................................... | 233 | 233 | --- |
| Man-years.................................... | 150 | 228 | +78 |
| Contract Services ($)........................ | $4,860,000 | $7,324,000 | $+2,464,000 |

Program operations and development activities conducted in central headquarters are divided into four functional areas: development, systems, operations, and support. Many of the management and administrative requirements to effectively carry out these functions were not being met or were inadequately met. An assessment of resource requirements resulted in a request for 70 additional positions in the 1974 supplemental appropriation request. These additional resources will be used to plan and coordinate the effective development of the program, to provide for efficient management of the computer system, to improve the processing controls and operations associated with approving loans and making payments, and to effectively plan and improve the overall administration of the program. Specific management objectives in fiscal year 1975 for these on-going program activities are outlined below.

Management Objectives

Management objectives include:

-- improving the management information system;

-- improving the accuracy of interest billings;

-- reviewing and improving operational procedures;

-- refining the cost estimates projection model;

-- encouraging lenders to expand the level of new lending;

-- improving claims processing;

-- encouraging the making of non-subsidized loans;

-- improving the program financial accountability system and quality of the data base; and

-- designing a more sophisticated computer system to assure effective long-range management and administration of the program.

Resources Required

To realize these objectives, the 233 program operations and development positions must be filled with qualified staff and an additional $2,464,000 in contract services is required. Specific objectives and requirements for each of the four functional areas in fiscal year 1975 are outlined below:

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Development | | | |
| Positions | 21 | 21 | -- |
| Man Years | 14 | 21 | +7 |

Program development activities will continue to be performed by existing staff. The addition of 70 positions in other central headquarters operations as a result of the 1974 supplemental appropriations will permit more effective administration of development functions by concentrating existing staff on these efforts: policy formulation; interpretation of legislation; development and dissemination of program regulations; manualssand guidelines for lenders, schools, and guarantee agencies. Planning for the effective administration of the program, coordination of regional program, coordination of regional program staff, providing advise and assistance to guarantee agencies, and maintaining liaison and communications with constituent groups, are other major functions.

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Systems | | | |
| Positions | 36 | 36 | -- |
| Man Years | 18 | 35 | +17 |
| Contract Services | $1,460,000 | $3,060,000 | $+1,600,000 |

Twenty of the additional positions requested in the 1974 supplemental appropriations were committed to establishment of data systems design and management. This action, when completed, for the first time, was to provide the requisite data processing capability dedicated solely to guaranteed student loan activity.

Concurrent with maintaining the basic GSLP daily production and operation, on-going contracts will continue the upgrade of the data processing system and the quality of the very large data base. The entire system is being reevaluated and key programs are being rewritten. The four major GSLP files will undergo continued review with the objective of improving the accuracy and reliability of the data contained therein. These files include: (1) the Pay History File which contains all information on lender billings and payment for interest, special allowance, insurance premiums, claims and related financial data; (2) the Loan Control Master File containing all loan transactions, which presently approaches eight million loans; (3) the Vendor Files containing detailed data on all eligible schools and lenders; and (4) the Claims and Collections File in which are entered all information and transaction items on defaulted accounts, bankruptcy, and death and disability claims. The system is also to be expanded to provide for financial accountability and management information reporting and retrieval capacity. Upgrading the files will improve the data required for the annual statement for the Student Loan Insurance Fund and will meet General Accounting Office certification criteria.

There will be a great endeavor on the part of these contract resources which will be designated for the design of a more sophisticated and improved computer system which will meet the Office of Education commitment to assure effective and sound long-range management and administration of the Guaranteed Student Loan Program. A number of studies recommended that great systems improvements were needed to meet managements needs. However, a thorough and comprehensive internal Office of Education study concluded that a new system was the only viable and most cost-efficient solution to the current systems problems. This more sophisticated system will be an outcome of consideration and evaluation of program and operations objectives, changes and improvements in technology, and production performance criteria.

The development and implementation of a more sophisticated system is planned in three steps. The first phase is to be a feasibility and design study which will include evaluating alternatives to meet the central objective in the design of this system and to meet critical financial and accountability controls and requirements recommended by the General Accounting Office and the HEW Audit Agency. All other management and program objectives will be evaluated in the study as well as in the general design of the new system.

Phase two will include development of the selected detailed system design and specifications to assure that planned objectives and requirements are met; writing of supporting documentation and computer programs; and careful development of a conversion plan and an implementation schedule.

The successful implementation, the third phase, will naturally include the following: adherence to the overall implementation plan and its necessary standards; assuring a controlled environment; parallel runs and interface with the existing system over a reasonable time period. The expanded systems staff as requested in the fiscal year 1974 supplemental appropriation will assure proper control of development and implementation of the system as well as follow-through from the feasibility study through implementation to post implementation operation.

This overall effort to design, develop and implement a more sophisticated system will necessarily require from 2 1/2 to 3 years. This endeavor will be started in fiscal year 1975.

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Operations | | | |
| Positions | 103 | 103 | -- |
| Man Years | 58 | 101 | +43 |
| Contract Services | $3,400,000 | $4,264,000 | $+ 864,000 |

Thirty-two of the 70 additional positions from the 1974 supplemental appropriation were to be assigned to implementing improved operational controls in the daily processing activities. Additional resources of $864,000 are required to support an enlarged data base and operational activities which include: payment of interest and special allowance billings; reviewing and processing of default, death and disability, and bankruptcy claims; records review, resolution and reconciliation of errors; and updating of student status data from lenders, schools and State agencies. Recommendations for their improvement have been made by the General Accounting Office and the HEW Audit Agency.

Data processing contractual activities for the Guaranteed Student Loan Program during fiscal year 1975 will be concentrated in several major areas. The on-going Guaranteed Student Loan System (GLSL) supports the processing of new loans; payment of claims, interest benefits, and special allowance; collection of insurance premiums and payments on defaulted accounts; and the day to day maintenance of existing loan accounts which will reach over 8,000,000 loans by the end of fiscal year 1975. This multi-million sized data base consists of all loans guaranteed, including those still in an interim status, loans converted to repayment, and loans partially and fully repaid. The cost of maintaining operations and servicing each loan, based on a $4,264,000 total cost, amounts to about 53 cents per account. It provides for data exchange with more than 19,000 lenders, 8,200 schools, and 26 State agencies.

| | 1974 Base | 1975 Estimate | Increase |
|---|---|---|---|
| Support | | | |
| Positions | 73 | 73 | -- |
| Man Years | 60 | 71 | +11 |

Eighteen of the additional positions from the 1974 supplemental appropriation were to be utilized in supportive activities, principally in improvint the financial accounting system to provide data for the annual statement for the Student Loan Insurance Fund, in developing program cost estimates, and in program planning and evaluation. These improvements are in accord with GAO recommendations. The staff will--in coordination with program examiner staff--support on-going review and d determination of institutional eligibility, including limitation, termination and suspension as required under the Education Amendments of 1972. Two positions have been designated for the Office of General Counsel for full-time attorneys to provide advice and direction. These new positions will also permit the establishment of an improved program compliance effort in fiscal year 1975.

## TABLE 1

| | FY68-71 | FY72 | FY73 | FY74 est. | FY75 est. |
|---|---|---|---|---|---|
| **Federal Insurance Program** ($000) | | | | | |
| Annual Federal Default Expenditures | 9,730 | 17,759 | 34,486 | 52,000 | 80,000 |
| Annual Federal Recovery of Default Dollars | 229 | 589 | 2,425 | 5,200 | 9,700 |
| Annual Net Default Dollars to be Recovered | 9,501 | 17,170 | 32,061 | 46,800 | 70,300 |
| Cumulative Net Default Dollars to be Recovered | 9,501 | 26,671 | 58,732 | 105,532 | 175,832 |
| **State Reinsurance Program** ($000) | | | | | |
| Annual Federal Default Expenditures | 11,558 | 13,852 | 22,959 | 40,000 | 54,000 |
| Annual Federal Recovery of Default Dollars | 394 | 789 | 1,957 | 3,200 | 6,100 |
| Annual Net Default Dollars to be Recovered | 11,164 | 13,063 | 21,002 | 36,800 | 47,900 |
| Cumulative Net Default Dollars to be Recovered | 11,164 | 24,227 | 45,229 | 82,029 | 129,929 |
| **Combined Programs** ($000) | | | | | |
| Annual Federal Default Expenditures | 21,288 | 31,611 | 57,445 | 92,000 | 134,000 |
| Annual Federal Recovery of Default Dollars | 623 | 1,378 | 4,382 | 8,400 | 15,800 |
| Annual Net Default Dollars to be Recovered | 20,665 | 30,233 | 53,063 | 83,600 | 118,200 |
| Cumulative Net Default Dollars to be Recovered | 20,665 | 50,898 | 103,961 | 187,561 | 305,761 |

TABLE 2

## GUARANTEED STUDENT LOAN PROGRAM
Workload Data for Collection Activity
Fiscal Years 1974-1978

| COLLECTORS | | 1974 | 1975 | 1976 | 1977 | 1978 |
|---|---|---|---|---|---|---|
| A. | Carryover of defaulted loans (D minus H in prior year) | 51,000 | 93,400 | 107,800 | 117,600 | 123,800 |
| B. | Number of new defaults received each month | 5,000 | 6,200 | 6,400 | 6,400 | 6,000 |
| C. | Number of new defaults received annually | 60,000 | 74,400 | 77,000 | 77,000 | 72,000 |
| D. | Total number of defaults to be handled in the year (A plus C) | 111,000 | 167,800 | 184,800 | 194,600 | 195,800 |
| E | Number of effective collector man years | 44 | 150 | 168 | 177 | 177 |
| F. | Number of defaults each collector can handle in one year | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| G. | Total number of defaults processed (E times F) | 48,400 | 165,000 | 184,800 | 194,600 | 194,600 |
| H. | Total number of defaults actually "cured" in one year (Est. 400 per collector) | 17,600 | 60,000 | 67,200 | 70,800 | 70,800 |

TABLE 3

GUARANTEED STUDENT LOAN PROGRAM
Workload Data for Program Examination Activity
Fiscal Years 1975-1977

| | 1975 | 1976 | 1977 |
|---|---|---|---|
| Number of Examiners | 75 | 75 | 75 |
| Clerical/Support | 48 | 48 | 48 |
| Total Examiner man years | 65 | 74 | 74 |
| Number of Reviews [1/] (125 per examiner per year) | 8,126 | 9,250 | 9,250 |
| Lender | 5,650 | 6,457 | 6,457 |
| School | 2,450 | 2,767 | 2,767 |
| State Agency | 26 | 26 | 26 |
| Cumulative Number of Reviews | 8,126 | 16,376 | 25,626 |

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[1/] Total universe of domestic schools (7,600) and lenders (19,000) approximated 26,600 in Fiscal Year 1974. Approximately 15,600 lenders were active and about 800 schools and lenders had high volume or high incidence of defaulted and delinquent loans. Over a three-year period, each examiner would conduct approximately 375 lender and school reviews, with special emphasis on problem lenders and schools. In addition, State agencies would be examined every year.

| | 1974 | | 1975 | | Increase or Decrease |
|---|---|---|---|---|---|
| | Estimate | No. of Awards | Estimate | No. of Awards | |
| Planning and Evaluation: | $7,219,000 | | $9,000,000 | | $ 1,781,000 |
| (a) New awards | 3,506,000 | 30 | 4,750,000 | 16 | |
| (b) Non-competing continuing awards | 3.713,000 | 16 | 4,250,000 | 9 | |
| (c) Competing continuing awards | -0- | | -0- | | |
| Total | 7,219,000 | | 9,000,000 | | +1,781,000 |

## Narrative

### Program Purpose

Authorized under the General Education Provisions Act, Section 411, and the Cooperative Research Act, this activity supports planning and evaluation studies of programs administered by the Office of Education. Evaluation studies are used to assess objectively the impact and effectiveness of Federal education programs; to identify educational needs and objectives; to measure how well these are being met; and to help determine which program approaches work, which do not work and why. Planning studies are used to analyze educational problems and issues and to develop alternative choices to resolve them. The data from these studies provide input to decisions about program resources, developments, emphasis and management, and also provide the basis for the annual evaluation report to Congress on the effectiveness of programs administered by the Office of Education

The program operates by first identifying Congressional, Executive Office, Departmental and Office of Education requirements for planning and evaluation data. These requirements are matched against available data and an evaluation plan is developed to fill in the gaps. Office of Education technicians prepare detailed specifications for the studies in the plan, and contractors are selected through competitive bidding to conduct the studies. When completed the results of the studies are distributed in the form of Executive Summaries to the Congress, Chief State School Officers and members of the education community.

### Plans for Fiscal Year 1975

For FY 1975 nine formal evaluations will be initiated on educational programs not previously studied in order to assess objectively the impact and effectiveness of Office of Education administered programs. These include evaluation of the Media Services and Captioned Film Program, the Higher Education Programs, the Urban/Rural School Development Program, Right to Read School Based Program, Indian Education, Library Programs, International Education, and Grant Consolidation (if enacted). Some of the studies initiated in FY 1974 and prior years will be continued, including the Bilingual Program, Student Aid, Vocational Education, Developing Institutions, ESAA programs, Title I components and a field test of Project Information Packages (a new approach to the packaging of information on validated effective projects in compensatory education for purposes of replication). Seven planning studies will be conducted to help clarify educational problems and issues and to help improve program management. These include a study of the effects of school busing, analysis of new census data with respect to college and occupational school students, analysis of educational technology developments and a series of school finance studies.

Of the total amount of funds requested approximately $1,000,000 is requested to be authorized under the Cooperative Research Authority to support the planning studies on educational issues not related to specific OE programs.

Accomplishments for Fiscal Years 1973/1974

During FY 1973, some fifteen major evaluation studies were completed (most had been initiated in prior years) covering programs in elementary and secondary education, career education, education for the handicapped, vocational education, public libraries, educational statistics, research and development, higher education, and teacher training. Some 35 major new studies (or continuations from prior years) were developed and funded covering most areas of education. Important among them were studies of the Migrant Program, Compensatory Reading programs, Bilingual Process Evaluation, Vocational Education Impact Study, Talent Search Program, State Programs for the Handicapped, and Student Aid Programs. Most of these studies are scheduled for completion late in FY 1974.

For FY 1974 primary emphasis continues on the long-term plans of completing a formal evaluation on major Office of Education Programs. Forty-six studies have been scheduled, sixteen of them continuations from FY 1973 and prior years, and thirty new initiatives dealing with such high priority programs as the Bilingual Program, ESEA Title I, Adult Education, Right to Read, Community Based Program, Student Aid, School Finance, Cooperative Education, and Civil Rights, Title IV.

SUPPLEMENTAL FACT SHEET

Planning and Evaluation

Education Evaluation Studies for FY 1974

| | Estimated FY '74 Cost (000) | Continuation or New Study | Evaluation or Planning Study | FY '75 Costs (Where Needed) (000) |
|---|---|---|---|---|
| 1. Computer and Consultant Costs.................. | 102 | C | P | 250 |
| 2. Evaluation of Compensatory Reading Programs.. | 50 | C | E | --- |
| 3. Longitudinal Study of Demonstration Program.. | 90 | C | E | --- |
| 4. Study of ESEA Title I Allocation Formula.... | 20 | C | P | --- |
| 5. Study of Accreditation and Institutional Eligibility........... | 68 | C | E | --- |
| 6. Development of Interest Subsidy and Default Model for Insured Student Loan Prog.... | 40 | C | E | --- |
| 7. Evaluation of Community Based Right to Read Programs............. | 241 | N | E | --- |
| 8. Performance Contracting Follow-up............ | 20 | C | P | --- |
| 9. A Study of Change Agent Programs............. | 34 | C | E | --- |
| 10. Study of Cooperative Education/The Impact of Student Earnings as Support for Postsecondary Education....... | 50 | N | E | --- |
| 11. Analysis of Census Data on College Expectations plus (Re-entry)...... | 50 | N | P | --- |
| 12. School Finance Task Force Studies........ | 73 | C | P | --- |
| 13. Update of Title I Census Data.......... | 50 | N | P | --- |
| 14. Analysis of Title I Comparability Report. | 55 | N | E | --- |

| | Estimated FY '74 Cost (000) | Continuation or New Study | Evaluation or Planning Study | FY '75 Costs (Where Needed) (000) |
|---|---|---|---|---|
| 15. Tracking Distribution of Vocational Education Funds........... | 50 | N | E | --- |
| 16. Study of Demand for Post Graduate Training to Acquire Entry Level Job Skills........... | 50 | N | P | --- |
| 17. Advantages & Disadvantages of Student Loans for Women............ | 50 | N | P | --- |
| 18. Status and Resources of Self-Supporting Students............. | 50 | N | E | --- |
| 19. Study of the Oversupply of College Places.... | 50 | N | P | --- |
| 20. Feasibility Study for a Census of the School-Aged Handicapped..... | 50 | N | P | --- |
| 21. Review of Data Instrument, and Research Design for Data Analysis of Vocational Education Impact Study................ | 30 | C | E | --- |
| 22. Analysis and Synthesis of State Title I Reports & Model Development.......... | 160 | N | E | --- |
| 23. Extension of FY 1973 Title I Evaluations.. | 55 | C | E | --- |
| 24. Enrollment Effects of Tuition Differentials.............. | 25 | N | P | --- |
| 25. Vocational Education Impact Study (NCES portion)............. | 575 | C | E | 700 |
| 26. Bilingual Impact Study............... | 500 | N | E | 700 |
| 27. Study of State Compensatory Education Programs............. | 50 | N | P | --- |

| | Estimate FY '74 Cost (000) | Continuation or New Study | Evaluation or Planning Study | FY '75 Costs (Where needed) (000) |
|---|---|---|---|---|
| 28. Simulation & Analysis of New Allocation Formulas for Title I, ESEA.................. | 50 | N | P | --- |
| 29. Educational Significance of Tracking in Public Schools............... | 50 | N | P | --- |
| 30. Research Strategies in the Education of the Disadvantaged.......... | 50 | N | P | --- |
| 31. Feasibility & Study Design for Evaluation of Neglected and Delinquent Title I Program............... | 50 | N | E | 350 |
| 32. Study of Impact of Federal Student Aid Programs.............. | 350 | N | E | 500 |
| 33. Study of Overlapping Activities in BEH and OCD............... | 50 | N | P | --- |
| 34. Federal Role in ETV (Sesame Street and Electric Co. Eval.).... | 50 | N | E | --- |
| 35. Study of Institutional Development in HEA, Title III, Aid to Developing Institutions..... | 250 | N | E | 100 |
| 36. Distribution of Office of Education Discretionary Funds.......... | 30 | N | E | --- |
| 37. Impact of Vocational Education on Indians... | 25 | N | E | --- |
| 38. Project Information Packages Development... | 125 | N | P | --- |
| 39. Project Information Packages Field Test Evaluation................. | 200 | N | E | 1,150 |
| 40. Assessment of School Supervised Work Education Programs................ | 325 | N | E | --- |

| | Estimate FY '74 Cost (000) | Continuation or New Study | Evaluation or Planning Study | FY '75 Costs (Where Needed) (000) |
|---|---|---|---|---|
| 41. Evaluation of Civil Rights Act, Title IV.... | 170 | N | E | --- |
| 42. Evaluation of Adult Education Progs... ..... | 250 | N | E | --- |
| 43. Study of Borrower and Lender Characteristics for Estimation of Defaults in the Insured Student Loan Program.... | 20 | N | P | --- |
| 44. Study of Talent Search and Upward Bound Progs.. | 47 | C | E | --- |
| 45. Evaluation of ESAA Pilot Programs........... | 1,000 | C | E | 200 |
| 46. Evaluation of ESAA Basic Grants Program.......... | 1,489 | C | E | 300 |
| Total................. | 7,219 | | | 4,250 |

## FY 1975 Proposed New Evaluation Studies

| | FY '75 Costs (Where Needed) (000) |
|---|---|
| New Impact Studies | |
| Media Services & Captioned Films | 350 |
| Urban/Rural School Development | 250 |
| Right-to-Read School Based Programs | 350 |
| Indian Education Programs | 250 |
| International Library Cooperation Program | 250 |
| NDEA, Title IV Study | 150 |
| Vocational Education State Grant Disadvantaged Set Aside | 300 |
| Compensatory Education Studies | 700 |
| Grant Consolidation Programs | 700 |
| Total | 3300 |
| New Planning Studies | |
| Higher Education Planning Model | 250 |
| Effects of School Busing | 250 |
| Analysis of New Census Data | 100 |
| Analysis of Education Technology Developments | 350 |
| School Finance Study | 150 |
| Needs Assessment for Training of Special Education Personnel | 250 |
| Planning Study of International Education | 100 |
| Total | 1450 |
| Continuations | 4250 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| General program dissemination,<br>(a) Dissemination: | --- | $500,000 | +$500,000 |
| (a) New awards...................... | --- | $300,000(6) | +$300,000 (+6) |
| (b) Non-competing continuing awards. | --- | $160,000(4) | +$160,000 (+4) |
| (c) Competing continuing awards..... | --- | $ 40,000(1) | +$ 40,000 (+1) |
| Total.................. | --- | $500,000(11) | +$500,000 (+11) |

## Narrative

Program Purpose Authorized under the General Education Provisions Act, this program, through contractual agreements, provides the general public and, especially, members of the education community with information about new educational developments and encourages the active participation of all people in improving American education.

Plans for fiscal year 1975 Tentative projects include a film on changing attitudes about, and new opportunities for women and minorities in the field of education; a series of radio and TV information spots on student financial aid programs other than Basic Educational Opportunity Grants; a workshop to improve education writing; a series of news film clips to support television interviews about projects chosen for packaging and dissemination; continuation of the Advertising Council project to stimulate student interest in seeking technical education; distribution of several education films; and updating a sound filmstrip on the OE Regional Offices.

Accomplishments for fiscal years 1973/74 In FY 1973, the only new project funded was production of a sound filmstrip about, and for use by the OE Regional Offices. Several projects were continued: distribution of the Right to Read and early childhood education films, the last in a series of workshops to improve school-community relations, and the project to stimulate interest in technical education. Funds were not appropriated for General Program Dissemination in FY 1974. Under the Continuing Resolution, however, $117,247 was obligated for prints of and Environmental Education film, which had been produced with FY 1972 funds. The obligation was charged against program administration.

## SUPPLEMENTAL FACT SHEET

### Dissemination

| Proposed Projects - FY 1975 | Amount |
|---|---|
| A film on changing attitudes about, and new opportunities in education for women and minorities (including prints) | $100,000 |
| Distribution of above film | 60,000 |
| Series of Radio and TV Spots on Student Financial Aid | 50,000 |
| Distribution of above spots | 15,000 |
| Workshop to Improve Education Writing | 50,000 |
| News Film Clips on Packaging and Dissemination | 25,000 |
| Technical Education Campaign continuation | 50,000 |
| Careers Mailing Service (accompanies above project) | 40,000 |
| Distribution of Film on Right To Read | 40,000 |
| Distribution of Environmental Education film | 60,000 |
| Updating sound filmstrip on OE Regional Offices | 10,000 |
| | $500,000 |

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| General Program Dissemination: | | | |
| (b) Packaging and field testing | $ --- (--) | $3,500,000(36) | $+3,500,000(+36) |
| (a) New awards........... | --- (--) | 3,500,000(36) | +3,500,000(+36) |
| (b) Non-competing continuing awards............ | --- (--) | --- (--) | --- (---) |
| (c) Competing continuing awards............ | --- (--) | --- (--) | --- (---) |

## Narrative

### Program Purpose

Authorized under the Cooperative Research Act, this subactivity has the essential purpose of helping educationally disadvataged children to increase their achievement levels, particularly in the basic skill areas of reading and mathmatics. Implementation of three specific goals should lead to accomplishment of this essential purpose: (1) the timely, systematic indentification of effective approaches and products in compensatory education; (2) the timely, systematic analysis and packaging of the management, resources and instructional components essential to the success of those approaches and products, followed by field testing of the packages; and (3) the dissemination of the improved packages resulting from the field test for purposes of widespread replication of the effective approaches and products.

The purpose already underway for achieving these three goals and the essential purpose of the program is outlined in the attached Fact Sheet.

### Plans for Fiscal Year 1975

Program staff will manage the first year of a field test of up to eight Project Information Packages (PIP's) based on validated programs in compensatory education, and will complete preparations and funding for the second year of the field test. (Funding for the first year at up to 24 sites is planned as part of the Commissioner's discretionary program under Section 306 of ESEA Title III for Fiscal Year 1974.)

Staff will also initiate and, if possible, complete during Fiscal Year 1975 a new "identification and packaging" study which will include educational products and practices as well as total approaches. Preparations will begin for field testing of up to eight additional Packages expected to result from the new study.

### Accomplishments for Fiscal Years 1973/1974

This subactivity did not exist in Fiscal Years 1973/1974. However, indentification and packaging of up to eight validated approaches was begun with other funds in Fiscal Year 1973 and continued in Fiscal Year 1974. Preparations are being made in Fiscal Year 1974 to field test the available packages, using ESEA Title III Section 306 grants to school districts that will implement the packages at field-test sites, and using evaluation funds to support the national evaluation of the field test.

## SUPPLEMENTAL FACT SHEET

### Packaging and field testing

The subactivity of Identification, Packaging and Field Testing of Validated Educational Programs and Products is a new program initially planned for a five-year period beginning with Fiscal Year 1975. This program is meant to implement systematically a process or sequence of activities which is already being implemented. Three basic steps have already been identified for meeting the first two goals described in the Narrative-Program Purpose section of this budget justification. The steps necessary to meet the third goal--i.e., dissemination of the packages after revisions resulting from the field test--have yet to be specified. It is intended, however, that the State Educational Agencies have a key role in the dissemination or "marketing" strategy and, consequently, that they participate actively in designing the strategy itself.

The first step in this process has been underway for several years in OE. It consists of the identification of educational programs and products whose success in helping children has been clearly validated. Three recent studies in OE and one study recently completed by NIE have supplied a pool of candidate programs. A current OE study will provide refined and definitive criteria for identifying successful programs in reading and math and then will validate the effectiveness in improving achievement, reasonable start-up and maintenance costs, availability for and feasibility of packaging, evidence of replicability (including successful replication itself), and considerations of need, "coverage," and required technical assistance. A new "identification and packaging" study is planned for Fiscal Year 1975.

The second step in this process begins with analysis of validated programs and products in terms of defining the components and resources essential to their success with children. It continues with the packaging of those components for replication of the validated program or for use of the validated product by other districts. Packaging will include a detailed description of the resource requirements for planning, school organization, physical facilities, staffing requirements, teacher training, instructional materials and methodologies, budgets, information feedback, parent participation, communication, technical assistance, schedules and milestone, monitoring and evaluation. This step is also under way in OE through the above-mentioned study which, during Fiscal Year 1974, will analyze and package up to eight validated programs for replication.

The third step in this process is to field test the packages based on validated programs and products for a minimum of two years at each test site. Given the successful replication of the program or use of the product eleswhere, the field test is directed at the effectiveness of the package itself, in terms of accuracy in identifying essential components, quality of packaging, acceptability and ease of use to teachers, administrators, children and parents, and, finally, overall impact of the packages in helping educationally disadvantaged children to increase their achievement levels. This effort is essentially designed to accelerate the diffusion of successful practices and products developed and demonstrated in OE-supported State grants and discretionary grant programs.

During Fiscal Year 1974, preliminary planning for this effort will be coordinated by OE planning st[illegible]inning in Fiscal Year 1975, OE will recruit and train a professional staf[illegible] conduct this program and will utilize permanent staff of 50 persons to validate, analyze and synthesize programs and products worthy of packaging, to do the packaging itself, and to provide technical assistance for school districts during installation of the packages. The staff will possess not only the requisite educational and technical skills and experiences, but will also be familiar with the economic, political and sociological constraints within which school systems operate. They will be cognizant of the obstacles to the successful introduction of innovative or alternative educational programs, and with the means to overcome those obstacles. They will implement a continuing process of identification, validation, analysis, synthesis, packaging, installation, technical assistance, monitoring, modification and evaluation.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Advisory committees. ............ | $1,205,000 | $1,200,000 | $-5,000 |

Narrative

| Advisory Committee | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Accreditation and Institutional Eligibility .......... | 19,000 | 25,000 | +6,000 |
| Adult Education ............... | 166,000 | 199,000 | +33,000 |
| Bilingual Children ............ | 50,000 | 50,000 | -- |
| Developing Institutions ....... | 8,000 | 28,000 | +20,000 |
| Disadvantaged Children ........ | 185,000 | 185,000 | -- |
| Education of the Deaf ......... | 40,000 | -- | -40,000 |
| Education Professions Development ................. | 150,000 | 150,000 | -- |
| Equality of Educational Opportunity ................ | 177,000 | 113,000 | -64,000 |
| Financial Aid to Students ..... | 30,000 | 50,000 | +20,000 |
| Handicapped ................... | -- | 70,000 | +70,000 |
| Handicapped Children .......... | 50,000 | -- | -50,000 |
| Vocational Education .... ..... | 330,000 | 330,000 | -- |
| Total .................... | 1,205,000 | 1,200,000 | -5,000 |

Narrative

The Office of Education is served by ten public advisory committees for which funds are requested for fiscal year 1975. The committees, authorized by specific Federal statute or by general authority vested with the Commissioner of Education, consist of members appointed by the President, the Secretary of Health, Education and Welfare, or by the Commissioner of Education with approval of the Secretary. In addition to performing specific Congressionally-mandated functions, these groups advise the Commissioner and the Secretary on matters of general policy concerning the administration of respective educational programs. Effective administration of these programs requires the advice and counsel of these public bodies.

Accreditation and Institutional Eligibility -- (Authorized by section 442 of the General Education Provisions Act, P.L. 91-230, 15 members appointed by the Commissioner with approval of the Secretary.)

This committee advises the Commissioner of Education concerning his actions in granting recognition to accrediting agencies or associations and in determining eligibility for participation in Federal programs. Additional funds are needed to support new committee activities related to review of State approval agencies, review of Federal schools and review and analysis of appeals from such agencies and institutions.

Adult Education -- (Authorized by the Public Law 91-230 Elementary and Secondary Education Act, Title III, 15 members appointed by the President.)

The Council advises the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 306 and policies to eliminate duplication, and to effectuate the coordination of programs under this title and other programs offering adult education activities and services. The Council shall review the administration and effectiveness of programs under this title, make recommendations with respect thereto, and make annual reports to the President of its findings and recommendations.

Bilingual Children -- (Authorized by ESEA, Title VII, 15 members, appointed by the Commissioner.)

This committee advises the Commissioner of Education with regard to matters of general policy arising in the administration of programs for children whose native tongue is other than English.

Developing Institutions -- (Authorized by the Higher Education Act of 1965, Title III, 9 members, appointed by the Commissioner.)

This committee advises the Commissioner of Education with respect to policy matters arising in the administration of Title III of the Higher Education Act of 1965 as amended and to assist the Commissioner in identifying those developing institutions through which the purposes of Title III can best be achieved. Additional funds are requested to support a necessary degree of site visitation by committee members to familiarize them with the Title III program.

The Council's responsibility and jurisdication have been significantly broadened by new legislation to include review of, and approval of criteria to be used in funding applications under Title III, HEA of 1965, as amended.

Disadvantaged Children -- (Authorized by ESEA, Title I, 15 members, appointed by the President.)

In fiscal year 1974 this Committee reviewed the Administration and operation of Title I of the Elementary and Secondary Education Act and evaluated the effectiveness of the programs in meeting the needs of disadvantaged children.

The Committee will continue these functions in fiscal year 1975 with regard to the Disadvantaged category of proposed Elementary and Secondary legislation.

Education Professions Development -- (Authorized by the Higher Education Act of 1965, Title V, 15 members, appointed by the President.)

This committee reviews the operation of Title V of the Higher Education Act of 1965 as amended and of other Federal programs for training and development of educational personnel, and evaluates their effectiveness in meeting needs for additional educational personnel, and in achieving improved quality in training programs.

Equality of Educational Opportunity -- (Authorized by the Emergency School Aid Act, Title VII, Public Law 92-318, 15 members, appointed by the President.)

The Council advises the Assistant Secretary for Education regarding the administration and effectiveness of programs assisted under the Emergency School

Aid Act. Funds will be used to enable Council to perform mandated functions including issuance of its final report on or before December 31, 1974, the date on which the Council's authorization expires.

Financial Aid to Students -- (Authorized by the HEA Amendments of 1968, 21 members, appointed by the Commissioner.)

This Committee advises the Commissioner of Education on matters of general policy arising in the administration by the Commissioner of programs related to financial aid to students and on the evaluation of the effectiveness of those programs.

The scope of council activities has been significantly increased by recent legislation and its structure has been modified to include two operating subcommittees.

Handicapped -- (Authorized by section 448(b) of the General Education Provisions Act, Public Law 91-230, 15 members, appointed by the Commissioner of Education with approval of the Secretary.)

The National Advisory Committee on the Handicapped reviews the administration and operation of programs under the Education of the Handicapped Act. It also reviews the administration and operation of special institutions (National Technical Institute for the Deaf, Kendall Demonstration Elementary School, Model Secondary School for the Deaf, Gallaudet College, the National Center on Educational Media and Materials for the Handicapped) and advises the Secretary of HEW and the Commissioner of Education with respect to these programs and the formulation of new programs for the handicapped.

The Committee was created October 9, 1973 through merger of the National Advisory Committee on Education of the Deaf and the National Advisory Committee on Handicapped Children and has assumed the functions of those two groups.

Vocational Education -- (Authorized by the Public Law 90-576 Vocational Education Amendments of 1968, Title I, 21 members appointed by the President.)

The Council shall advise the Commissioner concerning the administration of, preparation of general regulations for, and operation of, vocational education programs supported with assistance under this title. Review the administration and operation of vocational education programs under this title, including the effectiveness of such programs in meeting the purposes for which they are established and operated, make recommendations with respect thereto, and make annual reports of its findings and recommendations. Conduct independent evaluations of programs carried out under this title and publish and distribute the results thereof.

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| Data Systems Improvement: | | | | | | |
| (a) Educational Statistics: | | | | | | |
| (1) Surveys and special studies.......... | $4,250,000 | (109) | $4,250,000 | (56) | $ --- | (-53) |
| (a) New awards....... | 801,000 | (23) | 1,450,000 | (14) | +649,000 | (-9) |
| (b) Non-competing continuing awards........ | 3,086,000 | (79) | 1,765,000 | (35) | -1,321,000 | (-44) |
| (c) Competing continuing awards.... | 363,000 | (7) | 1,035,000 | (7) | +672,000 | (--) |

## Narrative

### Program Purpose

The statistics program, funded under the Cooperative Research Act, is designed to provide data on a current and responsive basis for planning, policy and administrative use by Federal, State, local and institutional decision-makers. The program also provides usable data about education to the general public. For Federal purposes, the data provide necessary bases for decisions about allocation of Federal funds, for evaluation of impact of Federally-funded programs, and reports required by Congress or the Executive Branch regarding education programs.

### Plans for fiscal year 1975

In fiscal year 1975, the Office of Education will continue its basic program of acquiring statistical information for use by educational managers, planners, and policy-makers, with priority given to Federal data requirements. Special emphasis will be placed on statistical activities in the following areas of concern:

1. The Changing Nature of Postsecondary Education - Reports and computer tapes from the first follow-up of the National Longitudinal Study of the High School Class of 1972 will relate the school and home environment, plans, and personal characteristics of high school seniors to their initial employment and postsecondary education experiences. Data will be acquired and processed for the second follow-up survey. The planning and design of a field test for a new study will be initiated.

A report will be published from the first-time survey of programs and enrollments in non-collegiate postsecondary schools. A second survey will be conducted to provide data about students and instructors in these schools. These surveys respond to the data requirements stemming from the Educational Amendments of 1972.

An early release of higher education faculty data with emphasis on differences in rank, salary and tenure, for men and women, is scheduled. In addition, early releases of selected data on opening fall enrollment and financial statistics for higher education will be issued.

2. Financing of Public Schools - The relationship between school expenditures and socioeconomic status of the community and the pupils will be investigated through an analysis in depth of school finance statistics and Census and Office of Education demographic data. This analysis will explore relative effort and equality of per capita support.

A five-year trend analysis of local revenue and expenditure data will provide financial trends for local school systems having different characteristics.

3. Availability of Special Education - Data will be collected on teachers of the handicapped in public schools including those in special institutions.

4. Teacher Supply and Demand - A survey will be conducted on the post-baccalaureate employment and academic status of 1973-74 college graduates designed to determine (a) how many of those academically prepared to teach actually entered teaching (and, if not, types of activities pursued); (b) the size of any teacher surplus; (c) the labor force participation and employment rates of those who trained for teaching vs. those trained in other fields; and (d) the number of college graduates going directly on to graduate school. Design and development activities on a survey of institutions training teachers will be carried out, and a pilot study initiated.

5. Non-traditional Education - A survey will be made on program offerings of educational television, the beginning of a time series to assess the rate of growth of this education medium.

In the area of educational technology a handbook will be prepared on standardized terminology which is essential for collecting reliable data on the use of educational technology.

Surveys of public libraries and school libraries for the first time will be pooled into a more widely useful Library General Information Survey System.

6. Measuring the Effectiveness of Educational Programs - Reading test data, which included student age, sex, racial ethnic application, primary language spoken, size of city and school socioeconomic data, will be analyzed focussing primarily on achievement scores among various racial and ethnic groups.

Problems of comparability of recorded and reported data will be addressed through revision and additions to the standard terminology manual in the areas of school facilities, equipment and materials.

A national survey of elementary schools will be conducted to describe the characteristics of program needs and services provided to students.

## Accomplishments for fiscal years 1973/1974

The program continued to produce over 50 reports of statistical time series and projections of key educational time series which together constitute the basic statistical data about education. These data were used to make decisions affecting the allocation of Federal funds, and were a basic resource for the National Commission on Financing Postsecondary Education. In fiscal year 1973, 45 statistical publications were issued, and the estimate for 1974 is for 50. Reference services responded to 11,000 requests for data and over 1,000 requests for data on computer tape were filled.

1. Changing Nature of Postsecondary Education - Data were collected relevant to issues of access, equality of opportunity, diversity, relevance, quality, and costs.

As a move toward timeliness of data the first early releases of summary reports on opening fall enrollment, faculty salaries by sex, and financial statistics for higher education were instituted. Fall 1972 data were released early in 1973. Favorable response from the higher education community led to repeating the early releases in fiscal year 1974.

Initial data were collected on 18,000 high school seniors in 1,100 secondary schools in National Longitudinal Study of the High School Class of 1972. Information, which will be publicly available in tape format by late summer of 1974, was gathered on high school experiences, occupational and educational plans, attitudes and opinions, and personal profiles, as well as data on school and home environments for unidentified individuals. The first follow-up data collection began in October 1973, and was completed in the Spring of 1974. Pretesting for a second follow-up (scheduled for October 1974) will be carried out.

The first directory of non-collegiate postsecondary institutions was published in fiscal year 1973. The first sample survey of such institutions was collected in fiscal year 1974.

2. Financing of Public Schools - A report on expenditure patterns both within and among States for public elementary and secondary schools, to be published in 1974, will provide State legislatures and the Congress with new financial data.

The merging of Census data with financial and staff data from the Elementary and Secondary General Information Survey was completed. For the first time, it is possible to relate school district data to Census data for those same districts, for all school districts with 300 or more enrolled. This permits the analysis of relationships among such factors as race, income, school expenditures, and outcomes. Computer tapes of these data are available.

3. Availability of Special Education - A series of reports was issued in fiscal year 1973 and fiscal year 1974 showing for the first time national patterns in the provision of instruction to handicapped pupils in local schools.

4. Teacher Supply and Demand - The supply of new teachers graduating annually continues to exceed the demand, while concurrently there are shortages for certain types of teaching jobs. Reports on teacher turnover, the availability of counselors, and pupil mobility were published. To improve systems for reporting statistical information on this situation the Office of Education provided support to nine States for developing educational manpower statistical reporting system. Planning activities for a survey of institutions offering teacher training were initiated. Models of teacher supply and demand were developed and published, and needed data were identified.

5. Non-traditional Education - The Office of Education has moved to close the gap in the Nation's knowledge of the resources, contributions, and limitations of its libraries. Key steps were taken in the development of a library general information survey, cutting across public, elementary and secondary, and higher education sectors. These steps included a planning study of State participation, demonstration pretests in six States, and the collection of a national inventory of practice in library statistics.

6. Measuring the Effectiveness of Educational Programs (including quality, relevance, and costs) - A report, known as the Anchor Test report, giving score equivalencies for seven widely used tests of reading ability, for grades 2, 4 and 6 were published as was a user's manual.

A national survey of public secondary school course offering, enrollments and curriculum practices, showing changes over a ten-year period, was completed.

A national survey of public school systems was completed to provide data on targeting, participation and expenditures for Federally-funded programs including Elementary and Secondary Education Act, Education for the Handicapped, and National Defense Education Act; a pretest for a national survey of elementary schools was completed on characteristics of program need and of services provided at the school level.

Handbook II, Pupil Accounting for Local and State Systems, was revised in keeping with modern principles of program budgeting.

Reports were published on statistical indicators of educational outcomes for elementary and secondary education.

## SUPPLEMENTAL FACT SHEET

## Surveys and Special Studies

### First Time Products Anticipated in FY 1975

1. The timeliness of postsecondary statistical data will be improved further by making partially edited information available to users through a system of remote access terminals initiated in fiscal year 1975.

2. In fiscal year 1975 the Office of Education will complete the collection of institutional data concerning noncollegiate postsecondary school programs and enrollments.

3. Data will have been collected enabling the Office of Education to report for the first time on the status of higher education faculty by rank and sex.

4. Anchor Test Equating Tables will be prepared. This includes development of a computer tape and a manual for converting large numbers of test scores on an achievement test to any one of seven other standardized achievement tests. This makes possible the placing of achievement test scores on the eight most commonly used reading tests on a common scale.

5. Data will be collected on the training of teachers in a sample of all types of postsecondary institutions.

6. Handbook X, Educational Technology, will be issued. For the first time there will be available a manual of standardized terms and measures for structuring recordkeeping and statistical reporting in this new and complex field.

7. The Office of Education expects to publish a Finance Manual designed to improve the structure of financial records at institutions of higher education.

8. Handbook II, Finance, has recently been revised to provide a source of definitions and classifications in accord with modern accounting methods. In fiscal year 1975 a monograph based on documented experience with the Handbook will be issued as an implementation guide for use by State Departments of Education.

9. Approximately 50 new publications will be issued by the Office of Education, an estimated 11,000 data inquires will be answered, and more than 1,000 data tapes will be made available.

### Products Anticipated as a Result of Activities Begun in FY 1975

1. The Office of Education will initiate a series of steps culminating, subsequently, in the availability of statistical data on elementary and secondary education through remote access terminals.

2. A first-time survey of students and staff of noncollegiate postsecondary institutions will be undertaken to obtain individual responses to questions on motivation and socioeconomic background.

3. The first in a series of library general information surveys will be initiated which will gather similar information on holdings, staff, receipts and expenditures of public school and public libraries in fiscal year 1975. Academic and special libraries will be added to the package in subsequent surveys.

4. In fiscal year 1975 the Office of Education will begin developmental work on a study of the characteristics and subsequent occupational and educational experiences of a national sample of high school dropouts, as compared with members of the same age cohort who complete their high school education.

5. A first-time survey of enrollments, programs and staff of correspondence schools will be initiated.

6. Work will be initiated on the revision of Handbook III, Defined and Classified Terms Description of School Facilities, Equipment and Materials.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Data Systems Improvement: | | | |
| (a) Educational Statistics: | | | |
| (2) Common core of data....... | --- | $1,350,000 | $+1,350,000 |
| (a) New awards.................... | --- | $ 300,000(2) | +300,000(+2) |
| (b) Non-competing continuing awards | --- | $1,050,000(1) | +1,050,000(+1) |

## Narrative

Program Purpose

Authorized under the Cooperative Research Act, the Common Core of Data Program (CCD) is a new initiative, with the first phase beginning in FY 1974, to replace the current uneven and largely inadequate provision for educational statistics in the 50 states, 6 outlying areas, and the District of Columbia, by developing an integrated and interlocking system of educational statistics to meet Federal, State, local and institutional needs for planning and management. The first phase of the Common Core of Data Program provides for the accomplishment of several activities in support of two major strategies: to provide building blocks for the long-term Common Core Program development and implementation, and to deliver near-term products which are responsive to statistical data needs at the Federal level. The first phase of the program encompasses five components planned to meet needs at the Federal level: an Educational Data Base accessible by remote computer terminals, Analysis Capability, Fast Response Surveys, a Survey of Educational Target Groups in the 17-25 year old population and Federal Cores of Data (the sets of data items which are needed by the Federal government on a recurring basis) about Elementary/Secondary Education and Postsecondary Education.

In later phases of this program the Federal government will play a leadership role in stimulating development of an integrated information system designed to provide data concerning the formal educational system -- elementary-secondary schools and postsecondary institutions -- and the informal education system, including libraries, museums, educational broadcasting, and other mass media. This program will provide eventually for the full complement of data and data services needed for effective management of the American education system. The framework for State data collection, compatability among States, and analysis and reference service, to be developed under CCD, will be an important asset to State management of resources.

Plans for fiscal year 1975

Initial steps will be undertaken to develop both long and short-term elements in an integrated Federal-State-local System of educational statistics:

1. Terminal-Accessed Educational Data Base

Based on designs completed in FY 1974, approximately 200 data tapes of education information will be made available on an operational basis in standardized and documented formats for both internal and external analysis. The on-line data base installed in FY 1974 (for postsecondary education) will be improved and augmented with the newly documented and standardized tapes as they become available; mechanisms and resources will be developed for operation in FY 1976 for easy access to the data tapes for analysis purposes and to produce hard copy (or data tapes of formatted data) to serve both internal and external management needs. With this capability in place, information on educational program inputs and the resulting attainments can be delivered to decision makers about elementary and secondary education, institutions of higher education, other postsecondary institutions, and libraries.

2. Analysis Capability

Two studies of issues in postsecondary education will be conducted, leading to the production of analytical reports for use in federal program planning and resource management. An analysis of cost factors in providing undergraduate education by broad programs of study (e.g. business administration, nursing, engineering) and by various types of institutions will be completed, and a study of the changes in the price of resources that result in changes in the cost of operating programs of postsecondary education will be conducted.

3. Fast Response Surveys

To meet unforeseen, unconventional needs for data, the necessary systems and procedures will be developed and a panel of interviewers and reporters will be established for the initial fast response survey activity. Post card-size surveys will be used to obtain data which will be available for use by decision makers in a one to two month time frame. Special arrangements will be made with the Council of Chief State School Officers for fast response surveys of elementary and secondary education.

4. Survey of the 17 to 25 year old Population

Detailed specifications for a sample survey of the 17 to 25 year old population will be developed. This survey will measure access, participation and success rates in postsecondary education programs, identify inequalities in these rates by target group and determine public expectations of and attitudes toward education. Methodological studies (including reliability and validity checks, as well as pretests of questions and techniques) will be conducted. These studies will provide a basis for related surveys of institutions and of households, expected to be carried out in FY 1976. The planned data base will contain planning and managment information including sizes of target groups for OE programs, characteristics of target population members who are not served by OE programs, post-program participant attainment data and data for establishing priorities among program alternatives.

5. Federal Data Cores

The definition of data requirements and the development of data definition and quality standards for the Elementary/Secondary and Postsecondary Federal Data Cores will be continued by OE staff during FY 1975. Limited technical assistance will be provided to States preparing to develop or refine statistical information systems to meet the new Federal Core requirements.

### Accomplishments for Fiscal Year 1973/1974

During fiscal year 1973, four States (Michigan, New York, Rhode Island and Texas) developed State level user requirements for educational finance data. Three local education agencies were awarded grants to document implementation of the update program cost accounting system developed for use at local and intermediate school system levels. Finally, a series of Operational Planning materials were developed under contracts to serve as a framework for the detailed design of Common Core of Data Program components.

During fiscal year 1974, accomplishments under the initial phase of the Common Core of Data program included:

Installation of a remote terminal-accessed Educational Data Base for Postsecondary Education; .

Completion of planning and design activities prerequisite to developing specifications for the Reference System requirements analysis and the tape standardization/documentation procedures to improve and augment on-line reference services;

Completion of survey instrument pretests and limited methodological analyses for a Survey of Educational Target Groups in the 17 to 25 year-old Population;

Definition of the first version of the Federal data base for Elementary and Secondary education; and

Completion of an Issue Analysis to serve as the framework for detailed definition of the postsecondary data base content.

## SUPPLEMENTAL FACT SHEET

## Common Core of Data

### First-time Products Anticipated in FY 1975

1. For the first time, a remote terminal accessed online Educational Data Base will be available to users across the nation for immediate retrieval of data. The initial Educational Data Base will contain information on Postsecondary Education; it will be improved and augmented to cover Elementary/Secondary Education as 200 existing tapes are reformatted, standardized and fully documented to be made available for internal and external analysis.

2. In FY 75 OE will initiate collection of data permitting the development of preliminary estimates of cost per student-year for providing undergraduate instruction, by broad program fields, and by major type of institution.

3. The first fast response survey will be conducted in Elementary/Secondary Education, resulting in the provision of data on a critical issue in education in a one to two month time frame.

4. An analysis of issues in postsecondary education will be produced to serve as the basis for defining essential needs for data.

5. The first version of the content of the Federal Core of Data for Elementary/Secondary Education will be defined, including standards for data quality, as a basis for improving information for decision making by Federal program planners and managers.

### Products Anticipated as a Result of Activities Begun in FY 1975

1. Information for resource planning and allocation in postsecondary education will be made available in FY 1976-77 as a consequence of the "Survey of Educational Target Groups in the 17 to 25 year old Population" to be begun in FY 1975.

2. Improved data for planning and managing elementary and secondary education programs will become available starting in FY 1977 upon implementation of the Federal Data Core which is to be defined initially in FY 1975.

| | 1974 Base | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Data Systems Improvement: | | | |
| (b) National Assessment of Education Progress.......... | $4,500,000 | $6,000,000 | $+1,500,000 |
| Non-competing continuing awards..................... | $4,500,000(1) | $6,000,000(1) | $+1,500,000(-) |

## Narrative

### Program Purpose

The Office of Education is mandated to report to the Nation on the progress of American education. The National Assessment of Education Progress project, funded under the Cooperative Research Act, represents a major effort to collect data on the attainment of selected groups of young Americans and to report changes in attainment over regular intervals. The data, over time, will highlight for decision makers at all levels, those categories of students whose achievement in given subject areas falls short of or meets national educational aspirations.

The Office of Education contracts with the Education Commission of the States for the collection, analysis and reporting of achievement of a representative national sample of four age groups: 9-year olds, 13-year olds, 17-year olds and young Americans (ages 26-35). Results are summarized nationally by age group and by sex, race, major geographic region, size and type of community, and level of parental education. Thus far, data has been collected for science (twice), writing, citizenship reading, literature, music, social studies and mathematics. Technical and analytic reports are issued in the second year following data collection.

### Plans for Fiscal Year 1975

The second assessment of science attainment will be reported to permit, for the first time, comparisons between like groups of Americans over a period of time. Results of the first mathematics assessment will be reported and analytic reports on social studies, and music attainment will be published.

Baseline data measuring attainment in art will be collected for the four-age groups. A mini-assessment measuring basic math skills will be conducted with samples large enough to permit the study of certain factors affecting school performance. An exploratory study will test the feasibility of measuring the functional ability of 17-year olds to perform basic skills considered requisite to survival in the society.

To fully explore the implications of the data, NAEP is actively promoting interpretive studies for the utilization and application of the findings for curriculum changes and decision making. A study of background factors which influence achievement is being conducted to provide guidance for future addition of a few relevant variables which will enhance the utility of the attainment data for educational decision making. Developmental activities will be undertaken to prepare for future annual assessments and studies will be made of the effect of non-sampling errors on the data.

Accomplishments in fiscal years 1973/1974

In 1973 attainment for the four age groups was measured in mathematics and science (second cycle). In 1974, attainment for all four age groups is being assessed in career and occupational development and the second cycle writing assessment is being conducted for 9-, 13-, 17-year olds. Approximately 90,000 individuals will be sampled, using both school surveys for students and household surveys for young adults and out-of-school 17-year olds.

By the end of fiscal year 1974, baseline assessment data in science, citizenship, writing, reading, literature, music, and social studies will have been reported.

Materials and methodology developed earlier under this project will be used by the project staff to conduct a special mini-assessment in reading to ascertain the functional reading ability of 17-year olds. This special project is funded by the national Right To Read program and will be reported in fiscal 1975.

Data tapes for the first year's assessment of science will be made available to the research community for analytical studies.

Efforts to utilize and apply data are made through professional organizations, conferences, seminars, and workshops. Several professional education organizations are studying assessment results to interpret the findings to their memberships.

## SUPPLEMENTAL FACT SHEET

## National Assessment of Educational Progress

### First-time Products Anticipated in FY 1975

1. Comparative data will be reported indicating whether United States science performance has improved over a three-year period for a national sample of selected groups of young Americans.

2. Results will be reported on functional literacy in reading among 17-year olds enrolled in school.

3. Reports of the assessment of career and occupational development will be published which explore the extent to which selected groups of young Americans are moving toward or gaining competence in earning a living in today's society.

4. Computer tapes of the National Assessment of reading performance will be available to the research community for analysis.

### Products Anticipated as a Result of Activities Begun in FY 1975

1. An effort to measure the competency of young Americans to perform basic mathematics with samples large enough to permit interaction analysis for in-school groups (9-, 13-, 17-year olds), will be initiated. Reports will be published subsequently.

## OFFICE OF EDUCATION

### Salaries and Expenses

### Program Purpose and Accomplishments

Activity: Program administration (GEPA, Sec. 400(c))

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $ 86,461,000 | Indefinite | $101,484,000 |

Purpose: This activity provides such funds as are necessary to enable the Commissioner to carry out the purpose and duties of the Office of Education.

Explanation: This activity provide for personnel salaries and related administrative expenses for all Office of Education programs except for Indian Education which is requested in a separate appropriation.

Accomplishments in 1974: During 1974 the Office of Education was reorganized to create a more flexible, efficient, and effective organization. Much of the realignment was prompted by changes occuring in several programs after implementation of the Education amendments of 1972. A major effort is propesed in a 1974 supplemental request to strengthen and improve the administration of the Guaranteed Student Loan Program.

Objectives for 1975: In fiscal year 1975 a net decrease of 114 positions is requested. Major decreases, primarily associated with those positions for those programs proposed to be included in Education Grants Consolidation, are partially offset by increases for programs that include the Guaranteed Student Loan Program, Basic Opportunity Grants, and Packaging and Field Testing.

## OFFICE OF EDUCATION

### Salaries and Expenses

### Program Purpose and Accomplishments

Activity/Subactivity: Planning and evaluation
(GEPA, Section 411 and Cooperative Research Act)

| 1974 | 1975 Authorization | 1975 Budget Estimate |
|---|---|---|
| $7,219,000 | 1/ | $9,000,000 |

Purpose: This program provides for grants and contracts to conduct evaluation and planning studies of programs administered by the Commissioner of Education

Explanation: Evaluation and planning studies are used to assess objectively the impact and effectiveness of Federal education programs in order to improve decisions about program management and resource allocations and to provide the basis for the annual evaluation report to Congress.

Accomplishments in 1974: Forty-six studies were conducted, sixteen continuations from FY 1973 and prior years, and thirty new initiatives dealing with such programs as the Bilingual Program, ESEA Title I, Adult Education, Right to Read, Student Aid, School Finance, Emergency School Assistance, Cooperative Education, and Civil Rights Title IV.

Twenty-four studies initiated in prior years were completed covering such programs as the Migrant Program, Developing Institutions Program, College Work-Study, School Supervised Work Education, Vocational Education in Metropolitan Centers, Compensatory Reading Efforts, etc.

Objectives for 1975: Nine formal evaluations will be initiated on educational programs not previously studied and nine of the multi-year studies begun in FY 1974 and prior years will be continued. This will enable the Office of Education to further close the gap in its knowledge about the effectiveness of the approximately one hundred programs it administers. In addition, seven planning studies will be conducted to help clarify major educational technology developments, school finance studies and analysis of new census data with respect to college and occupational school students.

1/ $8,000,000 of the 1975 estimate is funded under the General Education Provisions Act with an authorized level of $25,000,000. The remaining $1,000,000 is funded under the Cooperative Research Act which has a total authorization of $78,000,000.

## OFFICE OF EDUCATION

## Salaries and Expenses

## Program Purpose and Accomplishments

Subactivity: General program dissemination: Dissemination (GEPA, Sec.422)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ --- | $ 500,000 | $ 500,000 |

Purpose: Funds are used to provide the general public and members of the education community with information about new educational developments and to encourage the active participation of all people in improving American Education. Although a number of special audiences may be served by the projects, including educational personnel, the major thrust of these efforts is normally aimed at the widest possible audience. The substance of the projects is derived from Office of Education operations, and priority is given to those programs which most directly support the major objectives of the President, as set forth in his State of the Union and Education Messages, and to those programs which are designated as priorities by the Secretary of HEW and the Commissioner of Education.

Explanation: Projects are performed under contract and monitored by Office of Public Affairs staff. Responses to Requests for Proposals or Invitations for Bid are reviewed by OE staff.

Accomplishments in 1974: Funds were not appropriated in FY 1974 for General Program Dissemination. The only project funded under the Continuing Resolution ($117,247 charged to program administration) was the reproduction of prints of a film on environmental education (produced with FY 1972 funds).

Objectives for 1975: Public information dissemination activities must respond to objectives and priorities established by the President, the Secretary, and the Commissioner. During FY 1975, tentative new projects include a film to describe changing attitudes about and new opportunities for women and minorities in the field of education; a series of radio and television information spots on student financial aid programs other than Basic Educational Opportunity Grants; and a workshop designed to improve education writing. The packaging program, which is a subactivity of General Program Dissemination, will be supported by a series of news film clips used in conjunction with televised interviews with OE staff explaining the projects chosen for packaging and dissemination. Several projects funded in previous years may be continued, depending upon continuing and increasing interest. These include the project with the Advertising Council to stimulate student interest in seeking technical education, distribution of several education films, and the updating of a sound filmstrip on the OE Regional Offices.

## OFFICE OF EDUCATION

## Salaries and Expenses

## Program Purpose and Accomplishments

Activity/Subactivity. General Program Dissemination - Packaging and Field-Testing (Cooperative Research Act)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ --- | 1/ | $3,500,000 |

1/ Funded under the Cooperative Research Act which has a total authorization of $78,000,000.

Purpose: This program will provide for staff activities and for contracts to help educationally disadvantaged children to increase their achievement levels, particularly in the basic skill areas of reading and mathematics.

Explanation: Program activities will focus on the rapid, systematic identification of effective programs and products in compensatory education (reading and math), on the packaging of "how-to-do-it" information about validated programs and products, on field-testing the information packages, and on replication of the validated programs and products via the improved version of the package resulting from the field test.

Accomplishments in 1974: None, as this subactivity does not exist in fiscal year 1974. However, identification and packaging of up to eight validated programs was initiated with other funds in fiscal year 1973 and continued in fiscal year 1974.

Objectives for 1975: Program staff will manage the first year of a field test of up-to-eight Project Information Packages (PIP's) based on validated programs in compensatory education, and will complete preparations and funding for the second year of the field test. (Funding for the first year at up to 24 sites is planned as part of the Commissioner's discretionary program under Section 306 of ESEA Title III for Fiscal Year 1974.)

Staff will also initiate and, if possible, complete during fiscal year 1975 a new "identification and packaging" study which will include educational products and practices as well as total approaches. Preparations will begin for field testing of up to eight additional packages expected to result from the new study.

## OFFICE OF EDUCATION

### Salaries and Expenses

### Program Purpose and Accomplishments

Activity: Advisory Committees (GEPA, Part D)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $1,205,000 | Indef. | $1,200,000 |

Purpose: Funds to support the activities of advisory committees are used to finance travel of and compensation for committee members, to provide, in some cases, special professional, clerical or technical assistance to support committee activities and to finance publication and dissemination of committee findings and recommendations.

Explanation: Advisory committees serving the Office of Education are created by the Congress or established by the Executive Branch to provide expert advice with respect to programs administered by the Commissioner.

Accomplishments in 1974: Public committees provided advice relative to a majority of Office of Education administered programs during fiscal year 1974. In addition to carrying out specialized evaluation projects, these groups advised the Office on preparation of regulations for the administration of educational programs and reviewed criteria for funding applications for various projects.

Objectives for 1975: These groups will be involved in the review and assessment of Office of Education administered programs and will report their activities, findings, and recommendations to the Commissioner, the Congress and/or the President at the conclusion of the year.

## OFFICE OF EDUCATION

## Salaries and Expenses

## Program Purpose and Accomplishments

Activity/Subactivity: **Data Systems Improvement - Educational Statistics - Surveys and Special Studies (Coop. Res. Act)**

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $4,250,000 | 1/ | $4,250,000 |

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1/ Funded under the Cooperative Research Act which has a total authorization of $78,000,000.

Purpose: The Statistics program provides data on a current and responsive basis for planning, policy, and administrative use by Federal, State, local, and institutional decision-makers including, for Federal purposes, data needed for decisions regarding allocation of funds, evaluation of Federally-funded programs, and reports required by Congress or the Executive Branch regarding education programs.

Explanation: Contracts are awarded on the basis of competitive procurement to universities, and to commercial and nonprofit agencies; also contracts are awarded to State agencies for data collection.

Accomplishments in 1974: Support was provided to more than 50 ongoing statistical time series and projections of key educational time series which together constitute the basic statistical data about education. In fiscal year 1974 an estimated 50 statistical publications were issued, and reference services responded to some 11,000 requests for data queries. Data were collected relevant to issues of access, equality of opportunity, diversity, qualify, and costs. Data were collected and made available on the financing of public schools, teacher supply and demand, and measuring the effectiveness of educational programs.

Objectives for 1975: In fiscal year 1975, the Office of Education will continue its basic program of acquiring statistical information for use by educational managers, planners, and policy-makers, with priority given to Federal requirements. Special emphasis will be given to statistical activities in measuring the changing nature of postsecondary education, the financing of public schools, the availability of special education, teacher supply and demand, non-traditional education (e.g., libraries and educational technology), and the effectiveness of educational programs.

## OFFICE OF EDUCATION

## Salaries and Expenses

## Program Purpose and Accomplishments

Activity/Subactivity: Educational Statistics - Common Core of Data

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ --- | 1/ | $ 1,350,000 |

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1/ Authorized under the Cooperative Research Act, which has a total authorization of $78,000,000.

Purpose:
The Common Core of Data Program is a new initiative within the Office of Education intended to replace the current uneven and largely inadequate provision for educational statistics in the 50 States, 6 outlying areas, and the District of Columbia, by developing an integrated and interlocking system of educational statistics to meet Federal, State, local and institutional needs for planning and management.

Explanation:
Activities under the first phase of Common Core of Data program are expected to bring about greatly strengthened statistical services at the Federal level. Improvement of data quality, as well as development of mechanisms to respond more quickly and completely to the total set of management and planning needs for statistical data will be accomplished through installation of a terminal accessed Educational Data Base, strengthening of analysis capabilities, initiation of a fast response capability, implementation of a sample survey of target groups in the 17 to 25 year-old population, and refinement of federal data bases for elementary/secondary and postsecondary education.

Accomplishments in 1974:
Installation of a terminal accessed data base for postsecondary education, planning and design activities prerequisite to augmenting the on-line data base (including specifications for the total Reference System as well as tape standardization/documentation procedures), survey instrument pretests and limited methodological studies for the population survey, and definition of issues and initial data requirements for the elementary/secondary and postsecondary data cores were completed.

Objectives for 1975:
Approximately 200 data tapes will be made available on an operational basis in standardized and documented formats for internal and external analysis, and specifications will be completed for adding these tapes to the terminal-accessed Educational Data Base. Analyses of the relative costs of providing postsecondary education by major field in various types of institutions, and of the changes in resource prices which cause changes in the cost of postsecondary program operation will be completed. The initial fast response survey to meet unforeseen needs for data will be conducted. Detailed specifications for a sample survey of target groups in the 17 to 25 year-old population will be developed. Definition of data requirements and standards for data definition and quality will be completed for elementary/secondary and postsecondary education.

## OFFICE OF EDUCATION

## Salaries and Expenses

### Program Purpose and Accomplishments

Activity/Subactivity: Data Systems Improvement - National Assessment of Educational Progress (Cooperative Research Act)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $ 4,500,000 | 1/ | $ 6,000,000 |

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1/ Funded under the Cooperative Research Act, which has a total authorization of $78,000,000.

Purpose:

The Office of Education is mandated to report to the Nation on the progress of American education. The National Assessment project represents a major effort to collect data on the attainment of selected groups of young Americans and to report changes in attainment over regular intervals.

Explanation:

National Assessment, carried out by the Education Commission of the States, assesses four age groups (9, 13, 17 and 26-35) in 10 subject matter areas. Every year two subject areas are assessed, and the same areas are assessed every five years.

Accomplishments in 1974:

Data will be obtained for career and occupational development and writing (second cycle), and results will be reported on social studies and music. Seminars and workshops on state assessment will be conducted, and efforts to interpret and apply data will continue.

Objectives for 1975:

Results on mathematics and second cycle science as well as the first cycle-to-cycle change in science achievement will be reported. Data on art and basic mathematics will be collected. An exploratory study will test the feasibility of measuring the functional ability of 17-year olds to perform basic skills considered requisite to survival in the society.

TUESDAY, APRIL 23, 1974.

## NATIONAL INSTITUTE OF EDUCATION

### WITNESSES

THOMAS K. GLENNAN, JR., DIRECTOR, NATIONAL INSTITUTE OF EDUCATION
EMERSON J. ELLIOTT, DEPUTY DIRECTOR
BERNARD H. MARTIN, ASSOCIATE DIRECTOR FOR PLANNING AND MANAGEMENT
ERNEST RUSSELL, ASSOCIATE DIRECTOR FOR ADMINISTRATION
ARTHUR WISE, ASSOCIATE DIRECTOR, OFFICE OF RESEARCH
CORINE RIEDER, ASSISTANT DIRECTOR, CAREER EDUCATION PROGRAM
THOMAS CLEMENS, ACTING ASSOCIATE DIRECTOR, OFFICE OF DISSEMINATION AND RESOURCES
JOHN W. CHRISTENSEN, BUDGET OFFICER
CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET
CHARLES LeMAISTRE, NATIONAL COUNCIL OF EDUCATIONAL RESEARCH

Mr. FLOOD. Now we have the National Institute of Education. The presentation will be made by Thomas K. Glennan, Jr., director of the National Institute of Education.

We have a biographical sketch of you which we will place in the record at this point.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH OF THOMAS K. GLENNAN, JR.

Position: Director.

Birthplace and date: Los Angeles, Calif., January 18, 1935.

Education: Swarthmore College, bachelor of science, electrical engineering, 1957; Massachusetts Institute of Technology, master of science, industrial management. Stanford University, Ph. D., economics.

Experience: 1970–72: Assistant Director, Office of Planning, Research and Evaluation, Office of Economic Opportunity.

1969–70: Director of Research and Evaluation, Office of Planning, Research and Evaluation, Office of Economic Opportunity.

1966–69: Research Economist, Rand Corporation, Santa Monica, Calif.

1961–66: Research and Development Systems Analyst, Rand Corporation, Santa Monica, Calif.

Participated in several interagency and Domestic Council planning groups, including those on the President's 1970 Education Message, welfare reform, and planning for new communities and economic development.

Publications: Author and coauthor of a number of publications on research and development, analysis of education systems, and experiments in social planning.

Memberships: American Economic Association.

Mr. FLOOD. Do you have anybody with you you want us to meet?

Mr. GLENNAN. Yes, Mr. Chairman. Let me first introduce Dr. Charles LeMaistre to my right who is a member of the National Council of Educational Research.

Mr. FLOOD. This shop of yours is pretty new. Why don't we have out of an abundance of caution, if for no other reason, whether or not they say anything today—as you know up here we try to conduct these things pretty informally. If your people wish to volunteer information, they don't have to wait and say, may I, but can sound off. Or if you want to call on them, do that. Let's have a brief biographical sketch, within reason, of course, of the people putting on the show.

Mr. GLENNAN. I believe we have all of them in the package of material that has been submitted.

[The biographical sketches follow:]

### BIOGRAPHICAL SKETCH OF EMERSON J. ELLIOTT

Position: Deputy Director.

Birthplace and date: Ann Arbor, Mich., November 13, 1933.

Education: Albion College, Albion, Mich., A.B. degree—1955; University of Michigan, M.A.—1957.

Experience: 1970–72: Deputy Chief, Human Resources Programs Division, Office of Management and Budget.

1967–70: Assistant Director for Education Programs, Human Resources Programs Division, Bureau of the Budget.

1960–67: Budget Examiner, Federal Education Programs, Bureau of the Budget.

On staff of White House Task Forces on Education of 1964 and 1967; Executive Secretary of 1966 White House Task Force on Early Childhood and of 1967 White House Task Force on Financing of Public Broadcasting. Principally responsible for special analysis on Federal education programs included in President's budgets for 1969, 1970, and 1971.

Awards: Phi Beta Kappa—1955; Fellowship in Metropolitan Studies, University of Michigan; William A. Jump Meritorious Award for Exemplary Achievement in Public Administration, 1970.

### BIOGRAPHICAL SKETCH OF BERNARD H. MARTIN

Position: Associate Director for Planning and Management.

Birthplace and date: New York City, N.Y., June 7, 1937.

Education: Manhattan College, bachelor of arts, 1960; New York University Law School, 1960–61; Columbia University Graduate Faculties, 1962–64.

Experience: 1971–72: Acting Associate Deputy Commissioner for Development, Office of Education.

1965–71: Senior Program Analyst, Human Resources Program Division, Office of Management and Budget.

Awards: Professional Achievement Award (1968), Office of Management and Budget.

### BIOGRAPHICAL SKETCH OF ERNEST RUSSELL

Position: Associate Director for Administration.

Birthplace and date: Massillon, Ohio, February 16, 1936.

Education: University of Kansas, 1958, B.A.

Experience: January 1973: Assistant Director for Administration.

1971–72: Associate Director for Administration, Office of Economic Opportunity, Washington, D.C.

1970–71: Deputy Assistant Director, Office of Economic Opportunity— VISTA, Washington, D.C.

1969–70: Regional Administrator—VISTA, New York, N.Y.

1967–69: Senior Program Analyst—VISTA, San Francisco, Calif.

1966–67: Training Officer—VISTA, Washington, D.C.

1965–66: Director, Bureau of Employment, Training and Placement, Charlotte, N.C.

1962–65: Executive director, commission on human rights, city of Des Moines, Des Moines, Iowa.

1960–62: Educational director, Kansas Commission on Civil Rights, Topeka, Kans.

1959–60: Employment interviewer, Kansas State Employment Service, Topeka, Kans.

### BIOGRAPHICAL SKETCH OF ARTHUR EDWARD WISE

Position: Associate Director, Office of Research.

Birthplace and date: Boston, Mass., January 7, 1942.

Education: Harvard University, bachelor of arts, 1963, University of Chicago, masters of business administration, 1965. University of Chicago, Ph. D., 1967.

Experience: 1969–73: Associate Dean, Graduate School of Education, University of Chicago.

1967–69: Assistant Director of Research, U.S. Military Academy, West Point, N.Y.

1966–67: Associate Director of Research, New Egnland Education Data Systems, Cambridge, Mass.

Awards: A. B. Magna Cum Laude, "Outstanding Young Man."

Publications: *Rich Schools, Poor Schools.*

### BIOGRAPHICAL SKETCH OF CORINNE H. RIEDER

Position: Assistant Director, career education program.

Birthplace and date: Inglewood, Calif., April 8, 1939.

Education: University of California, 1961; A.B. Harvard University, 1965 Ed. M., Harvard University, 1972 Ed. D.

Experience: August 1972: Director, career education task force.

1971–72: Adviser in Education, Office of the Assistant Secretary for Planning and Evaluation/HEW.

1967–71: Director of Educational Planning, New York City Planning Commission; N.Y.

1964–68: Teaching fellow research assistant, graduate student, Harvard University.

1962–64: Peace Corps volunteer, Dominican Republic, education adviser, Agency for International Development, Dominican Republic.

1961–62: Public school teacher, Los Angeles, Calif.

Awards and memberships: Ford Foundation fellow, Harvard University; Pi Lamda Theta honor student.

### BIOGRAPICAL SKETCH OF THOMAS D. CLEMENS

Position: Acting Director, Office of Dissemination and Resources.

Birthplace and date: Venice, Ill., August 27, 1922.

Education: B.S. Ed. Washington, St. Louis, Mo., M.S. Ed. University of Wisconsin, additional graduate work, University of Wisconsin.

Experience: August 1972: Director, Task Force on Field Initiated Studies, NIE.

1969–72: Director, Division of Practice Improvement, National Center for Educational Communication, Office of Education.

1967–69: Chief, Research Utilization Branch, OE.

1966–67: Assistant Director, Division of Research Training and Dissemination, OE.

1965–66: Chief, Basic Research Branch, Division of iHgher Education Research, OE.

1964–65: Chief, Media Research and Dissemination Branch, OE.

1963–64: Chief, Research and Services Section, Educational Media Branch, OE.

1961–63: Research Coordinator, Educational Media Branch, OE.

Awards and memberships: 1971: HEW Superior Service Award; 1968: Brookings Institution Federal Executive Fellowship; 1960: Letter of Commendation from the Commissioner of Education. Member of: AERA, AECT, NAEB, AAAS, Phi Delta Kappa.

BIOGRAPICAL SKETCH OF JOHN W. CHRISTENSEN

Position: Budget Officer.

Birthplace and date: Washington, D.C., August 30, 1940.

Education: University of Maryland, Bachelor of Science, 1962.

Experience: 1966-72: Senior Budget Analyst, Headquarters and Field Administration Branch, Office of Education.

1963-65: U.S. Army, Postal Service.

1962-63: Budget Analyst, Peace Corps.

Awards: DHEW Superior Service Award, 1970; Intergovernmental Affairs Fellowship, 1971.

Mr. FLOOD. Suppose you tell us who they are.

Mr. GLENNAN. On the left is Dr. Corinne Rieder, the head of our Career Education program; next to her Thomas Clemens, Acting Associate Director, Office of Dissemination and Resources. Bernard Martin, who is Associate Director for the Office of Planning and Management and John Christensen who is the Budget Officer at the Institute.

Beyond Dr. LeMaistre is Arthur Wise, the Associate Director for Research, and Ernest Russell who is Associate Director for Administration and I am sure you know Charlie Miller.

Mr. FLOOD. You, of course, basically deal with what we call R. & D. What you should keep in mind is, and apparently you didn't before, R. & D. is research and development. I have been sitting on the appropriations subcommittee for the Department of Defense since it was established sometime after the War Between the States I think. The phrase "R. & D." is not unknown in the Department of Defense if I can make a careful understatement.

All of the other members of this subcommittee sit on various subcommittees. Mr. Michel is a very high ranking member of the Subcommittee on Agriculture. R. & D. is not unknown in the Appropriation Subcommittee for the Department of Agriculture. Other members sit on various other important subcommittees, and they are all more or less engaged in research and development of all sorts and types and kinds. So they are not amateurs when it comes to research and development. You might keep that in mind when you talk to us about this shop of yours. It is something you didn't do very well. In fact you didn't do well at all. What is going to happen I have no idea but I am sure that the whole atmosphere might have generated a misunderstanding or lack of understanding of each other. So here you have a lot of R. & D. pros and semipros sitting here, and yours is just another facet of R. & D.

I see you have a prepared statement. How do you want to handle that?

Mr. GLENNAN. What I would like to do is go through much of it, Mr. Chairman.

Mr. FLOOD. It is your show.

Mr. GLENNAN. I will do my best to convey responses to questions that have been raised by the Congress during the course of our odyssies in search of funds and support.

## OPENING STATEMENT

Mr. Chairman and members of the subcommittee, I am happy to be here today to explain the request of the National Institute of Education for $130,000,000 in fiscal year 1975.

During previous hearings before this subcommittee, several questions were raised about the fundamental need for and purposes of a National Institute of Education. I would, therefore, like to address these questions in this testimony, as well as to explain our plans for the $130,000,000.

My statement will address four issues:

Why do education R. & D. at all?

Why do it at the Federal level?

How are the activities of NIE different from the Office of Education's discretionary programs?

What does NIE plan to do if it receives $130 million in fiscal year 1975?

I have chosen to do that, Mr. Chairman, because I do believe the kind of questions we have received from this committee and others suggests that we have a need to try to make clearer than we have been able to so far the answers to these questions.

If I may borrow a phrase from Dickens, American education today is in "the best of times, it (is in) the worst of times. * * *"

The American education system continues to prepare millions of persons for productive and happy lives in our society. The percent of 18-year-olds graduating from high school has increased from 67 percent in 1960 to about 80 percent; the proportion graduating from college has increased from 17 percent in 1960 of those of graduation age to more than 23 percent. Illiteracy has declined to the point that roughly 1 percent of those 14 or older cannot read or write a simple message, less than half those in the same category in 1959. The American people quite correctly perceive education as a key to their future well-being.

At the same time—and I am sure this committee hears the next part of my testimony much more frequently—our Nation's schools are grappling with the additional challenges that are being placed upon them by the ever-increasing demands of society. Taxpayers are balking at the spiraling costs of education. While illiteracy in the strictest sense has declined, 18 million adults cannot read well enough to fill out a driver's license application. Young people are questioning the lockstep approach to education that frequently pushes them into college before they know what sort of career they want to pursue. Migrant workers are looking to schools as a vehicle out of the fields. And the schools themselves, in seeking to deal with these problems, are trying to find better ways to train teachers, to involve the community in planning new programs, to reduce costs while maintaining—or, indeed, improving—the quality of education they can offer.

The solutions will come from many sources: The wisdom and experience of teachers and administrators, the political savvy of elected officials at all levels of government, the dedication and concern of parents, and, I will submit, from the scientific analyses of research and development.

The validity of my view for the *future* can be demonstrated by the achievements of education R. & D. in the *past* and the *present*. For example:

We can measure and diagnose the progress of students in school because of tests developed as a consequence of education R. & D. begun in the first decades of the 20th century.

The years before formal schooling starts are now enriched for children as a result of Piaget's research on early childhood development. Sesame Street, Head Start, and the plethora of other preschool programs build on his studies of this critical stage in a child's life.

Research has contributed to judicial deliberations on such issues as school finance, desegregation, and tracking.

More than 75 percent of the elementary science curricula used in this country today result from a 14-year research and development process undertaken by the National Science Foundation to advance the state of the art of science education.

### EDUCATIONAL R. & D. PRODUCTS

Recent products of educational R. & D., frequently developed with Federal resources, are being used in the schools at the present time and promise to expand in the future. Here are a couple of examples of products from programs we support. About three-quarters of a million students in 2,600 schools in 46 States are using an elementary reading program developed by the University of Wisconsin research and development center. That will expand next year by 800 to 1,200 additional schools.

These materials, and others being developed by the center, are based on empirically validated data that show which subskills are important in learning to read, such as being able to sound out vowels, and in what order those skills are best taught. Evaluation data are promising: In one school in Watts, for example, performances of children using the materials met the school's goals for the first time in the school's history. In the course of developing these materials, the center realized that a more flexible kind of school organization was needed to allow teachers to use the materials fully: The result is the multiunit school concept, which has been adopted by 1,700 schools in 37 States. This organization, and accompanying materials, permit students to work at their own pace, following learning plans designed to meet their own styles of learning. Thus, no student need be bored or neglected because his needs differ from his classmates.

When I thought about raising this before the committee, Mr. Chairman, and not being knowledgeable in detail about all of the programs the Institute supports, I thought perhaps I could bring something like the box we had this morning that would indicate to you something of the materials that have been developed. I find, in fact, this reading program is at least represented by a set of materials in this envelope which are not very flashy looking. I think there is a lesson in that because this program was developed to help the teacher help children learn in the way that they best learn with existing materials, taking into account some of the problems of cost that are so frequently raised——

Mr. FLOOD. You are not doing it in the very best Washington bureaucratic way. That thing this morning was "PIP." Are you "POP" or something like that?

Mr. GLENNAN. You are quite right. I do not have the right kind of acronym for it.

I do think it is important that as we go into the development of these activities, one hopes to engage in that development process a set of people who are knowledgeable about the economics of schools, knowledgeable about what goes on in the classrooms, what teachers will and will not do, what books are already there, what materials are already there, so that the kinds of things that are developed are likely to be used by teachers and by administrators.

I think it is an important thing to recognize one would, in fact, spend more time to develop a management system to help a teacher in a classroom use what she or he already has rather than to develop some flashy new book.

If I may go on to a second example, and this one I think comes home to me because my wife is a teacher and this particular example responds to a concern she raised with me some time before I discovered we had some answers for it.

Some 15,000 copies of three compendiums of test information developed by the Center for the Study of Education at UCLA, now are in use around the country. These compendiums evaluate commercially published tests designed for kindergarten through 12th grade. Each of the three volumes contains a comprehensive list of educational goals, then rates each test that measures achievement of that goal. The books are used like Consumer Report magazine. A principal can choose the specific goal he would like his school to achieve, such as proficiency in silent reading in the fifth grade, then select the test that best measures that skill. Each test has been evaluated on the basis of 24 characteristics in 4 major areas: Validity (how well they measure what they claim to measure), examinee appropriateness (whether the vocabulary is appropriate to the age group being tested, for example), administrative usability (how easily it can be given and scored), and technical quality (measures that allow someone without a background in psychometrics to choose a good test). A survey of 697 users of the elementary test volume found that 60 percent use it to select new tests, 14 percent changed tests that had been in use in the schools, and 62 percent confirmed previous decisions. One of the important benefits of these evaluations is the oportunity they provide to local school districts to establish local goals for education and to measure success toward those goals.

I think the point my wife made to me was that she had received some test results and she found that those results were not as favorable in some areas as she had hoped. As she went back into looking at the test she found it did not measure what they were teaching in the classrooms. Therefore, as an indication to the parent and to her of how well she was doing or how well that class was doing, the test that they used had failed to adequately take into account the goals of the schools.

What this kind of a report does is allow a school, once it has made decisions on what its objectives are, to be more sophisticated than otherwise would be the case in choosing the tests to use.

That, of course, is very important, and it is not the kind of activity likely to be carried out by some commercial publishing house because obviously it does make judgments about the relative utility in certain circumstances about the large number of different tests.

## EXPERIENCE-BASED CAREER EDUCATION PROGRAM

Turning to a third example we have a program which brings about the following:

High school students, employers, parents, and educators across the country will benefit from a career education program being developed by four regional educational laboratories: Northwest, in Tigard, Oreg.; Far West, in Oakland, Calif.; Research for Better Schools, in Philadelphia; and Appalachia, in Charleston, W. Va. The program is generating ways to provide young people with actual work experience and academic training that complements their work interests.

This is not just a work-study program which, of course, we have had for many years and with great success I believe, but it is an attempt to use the work experience as a means of motivating youngsters to learn some of the basic skills and learn some of the needed vocational skills.

Mr. **Flood.** What do you mean by youngster?

Mr. **Glennan.** We are talking about people generally in the last 2 years of high school. So we are talking about people 16, 17, and 18. It is a program focused on the late secondary schools.

I think it is an important point again in trying to make the case for educational research and development. These programs seem to be somewhat successful in those four sites. We have some beginning evaluation data, not the final evaluation data, which indicates that in three of the four projects tested the basic skills, reading and math skills included significant improvements on the post-test basis. The kids were doing better than control groups in those programs.

They were more aware of career opportunities that were available to them and had better knowledge about what a job was like. They had developed some improvement in their self-image and their feelings of self-confidence, as you would expect with youngsters having to deal with adults in an adult world, on adult terms, rather than in their own peer world.

In all of the programs at least 80 percent of the students thought that the program was far better than in the schools they had previously attended, they both learned more and worked harder. The dropout rate was less than 9 percent compared to 25 to 40 percent that is typical for the group of students we have in the program. Over 80 percent of the parents thought that the program was better than the schools their children had previously attended.

There are several other findings, but I think the important point is that we have here four sites in which some interesting things are starting to happen. The real issue, because this is R. & D., is whether that kind of activity can be transferred elsewhere. Whether, as a part of what we are supporting, materials and means of providing technical assistance can be developed that would allow another school district to develop the kind of program, at much less cost than the original one, that would replicate the findings.

I think that is really the reason we are in business. We are in business to see if we can help lots of people do things better, not just the immediate recipients of our grants and contracts. Participants generally are taken out of the traditional high school setting. Part of their time is spent on-the-job, learning not only specific work skills, but also whether that sort of job appeals to them as a career choice. The remainder of their time is spent at a learning center, where academic skills are acquired through career-related materials or through individualized curriculum units. Counselors assist the young people in deciding which academic courses to study and which jobs to try. Both the substance and the style of the program are evolving throughout this developmental stage, as the labs discover the conditions under which children learn best, how materials can best be presented, how courses should be sequenced, and how most effectively to coordinate with employers. While a comprehensive evaluation will not begin until next year, every preliminary sign is encouraging: 90 percent of the students feel they are more motivated to learn in this program than in their regular high school; no employer plans to drop out despite the fact that they are not reimbursed for their costs. For example, an official of Pennsylvania Bell Telephone in Philadelphia, said that his firm has suffered because many of its new employees were not prepared for even entry level jobs by the regular school system. His firm will continue to participate, both because that individual firm will be able to hire young people who are better trained academically and who are better motivated, and because he believes the Philadelphia business community generally will benefit from the program. The more than 100 employers participating include Drexel University, General Electric, the Philadelphia Gasworks, Philadelphia Federation of Teachers, and the U.S. Naval Base and Shipyard.

I believe that these few examples show that educational R. & D. is offering solutions for broad national problems, as well as meeting the needs of individual students and educators.

### R. & D. AT THE FEDERAL LEVEL

If educational R. & D. is worth doing, why not do it exclusively at the State and local level? This question was raised repeatedly during the debate that led to creation of NIE and it remains as an issue we must confront.

I should begin my answer with the reassertation of a too-often-forgotten fact: Even with NIE in existence, most education R. & D. will continue to be done outside of NIE. By statute, NIE's role is coordinative, 90 percent of our funds are to be used to support research and development activities to be carried out by local school districts, by universities, by nonprofit agencies, by individual scholars, and by State education agencies through the country.

Federal support is warranted, I believe, for several reasons:

1. Duplication of effort can be avoided, attention to critical national issues assured, and a crosscut of the population involved in studies so that results can be generalized. For example, if a career education program is found to be successful with different kinds of students across the country, it can be assumed that that program—and not peculiarly local labor market conditions or an unusually dynamic teacher—is responsible for its success.

2. Scarce human and financial resources can be aggregated for maximum impact on problems: if dispersed among the Nation's 16,000 school districts, NIE's $130 million budget would provide each enough to hire the equivalent of one beginning teacher.

3. Federal support offers university researchers an incentive to work on problems that are truly relevant to schools rather those that have promise of "publishable" results.

Mr. Flood. Are you limiting activities to the age bracket you mentioned, 17 to 18?

Mr. Glennan. No.

Mr. Flood. What is peculiar about that?

Mr. Glennan. The activities of the Institute by the mandate of Congress really range from cradle to grave or probably prenatal health as well. Our activities are in support of all levels of education. Although the bulk of it is concentrated at the elementary and secondary level, perhaps 10 to 15 percent of our resources are devoted to postsecondary concerns. We would expect that to go up a little bit over time. Some preschool work is being carried out but not a great deal. We feel this work is being done by the Office of Child Development.

Mr. Flood. I wouldn't get too much involved in prenatal right away.

Mr. Glennan. I haven't.

## 1974 SUPPLEMENTAL REQUEST

Mr. Flood. We were talking about this earlier. If the $25 million request for 1974 is not approved by the Congress, what changes will you recommend in the 1975 budget in that case?

Mr. Glennan. We have a series of changes. We have obviously done a little thinking about it ourselves, and we can submit more complete information for the record.

[The information follows:]

### CHANGES IN THE 1975 BUDGET ASSUMING NO SUPPLEMENTAL

Some $19 million in projects originally planned for fiscal year 1975 would not be undertaken as a result of not receiving the requested supplemental of $25 million.

The primary reason for this change is that the supplemental, for the most part, provided funds to continue existing activities. These projects will now have to be provided for in fiscal year 1975 budget allowance.

Specific NIE actions to accommodate such as impact on fiscal year 1975 are as follows. First, to reduce the amount of funds available in fiscal year 1974 for new activities from $16 million to $13 million. The $3 million reduction will now be used to fund projects which were previously deferred and included in the supplemental request. Second, to delay or reduce the scope of work planned for activities previously included in the fiscal year 1975 budget request. For example, the budget as presented provided 1 year (1976–77 school year) funding for the Alum Rock education voucher experiment. This will not now be possible. Third, to eliminate projects and programs which would have been undertaken had the supplemental request been approved. For example, in the essential skills program, NIE's original funding plans provide for research in reading and in student progress in mathematics and social skills. The changed fiscal year 1975 program will only contain the reading activities.

Mr. GLENNAN. As you recall, a certain part of our activities of that supplemental, about $16 million was to cover deferred programs that allowed us to initiate a few activities during the current fiscal year.

In light of the rather dubious prospects for the supplemental we have reduced those deferrals to $13 million. So the first thing we have to do is to support those deferred projects in the next fiscal year. That raises our commitment base to something in the order of $91 million.

Mr. FLOOD. That was going to be the first question I asked when you finished, but you haven't finished your statement yet have you?

Mr. GLENNAN. Not yet.

Mr. FLOOD. Suppose you finish up.

### RELATIONSHIP WITH OFFICE OF EDUCATION

Mr. GLENNAN. Secretary Weinberger has supplied for the record an explanation of the difference between NIE's activities and the discretionary programs of the Office of Education. This statement is attached for the record. As the Secretary's statement notes, only about 10 percent of the OE activities can properly be labeled research and development. These activities remain in OE at the specific direction of the authorizing committees of the Congress.

That is literally not quite true I think. There are three major pieces of that activity that are in the Office of Education that have been designated as research and development. Two of them are there by congressional mandate, the research and development work in vocational education and that part of the research and development that is appropriately in the Bureau of Education for the Handicapped. But some $40 million of the $80 million is associated with the follow through program which is treated as a planned variation experiment. It hasn't been transferred to the National Institute of Education because it is being proposed for phase out in any case, and it was felt the administrative problems of making that transfer were best avoided.

I will submit the rest of my statement.

[The statement follows:]

The other 90 percent of the OE programs support demonstration, training, service and technical assistance activities. These are valuable programs; they contribute important services to American education. But unlike our research and development programs, they generally are based on current or common knowledge: they are not designed to increase what is known, to test assumptions scientifically, to compare the results of new programs to traditional ones, nor to develop information that would be applicable across the country, as well as to the participating schools or students.

As noted earlier, the major OE activities which are R. & D. are those that have been retained for clear administrative or legislative reasons. Specifically, the vocational and handicapped R. & D. authorities were left in OE by the Congress because of their close relationship to OE operating programs. Both OE and NIE are cooperating to assure that there is no duplication of effort in these areas. Follow through is the only other significant program remaining in OE; since the present legislation for this program is about to expire unless Congressional action is taken, there seemed to be no reason to have the kind of administrative disruption attendant upon a transfer of a program.

### WHAT DOES NIE PROPOSE TO DO?

The Institute proposes to use the $130 million requested in fiscal year 1975 to support activities in the five priority areas approved by our National Council (essential skills, productivity, education and work, local problem-solving, and diversity) and in the areas of dissemination and research. I shall describe these activities briefly.

### ESSENTIAL SKILLS

We have placed priority on finding ways to teach the basic skills deemed necessary to function in our society. Our initial emphasis is on reading, probably the most fundamental skill of all. By and large, the schools know how to teach children how to read: to translate letters into sounds and words. Most children master those skills in the first three grades, and many complete the next stage: learning how to make sense out of words. But at least 10 to 15 percent of the children in the middle grades cannot master those comprehension skills, to move from understanding simple written passages to comprehending newspapers, new curricular materials, or even cookbooks or driver's license applications.

NIE plans, therefore, to conduct research over the next 5 years that will lead to development of curricula, teaching techniques, and teacher training programs that will improve children's ability to comprehend the kinds of written materials required by the fourth through eighth grades.

In addition to this major new initiative, NIE will continue existing programs that are developing more efficient curriculum materials for the early grades and are examining specific learning problems that affect a child's ability to read. A total of $11,962,000 is requested for both new initiatives and continuation of these ongoing programs.

### LOCAL PROBLEM SOLVING

Several State and local education agencies—including those in Rhode Island, Florida, Maine, Texas, Oregon—have developed model programs for defining the problems faced by their schools and either devising their own solutions or adapting the solutions suggested by R. & D. or other school districts. For example, the Maine School Administrative District No. 3 is using a 4-day student week and the results are promising. Teachers and administrators now have the time to more effectively plan ways students can best achieve academic success at their own pace. Initial evaluation indicates that not only is the system saving money, but also that the achievement scores of students have improved. NIE will be able to examine this type of locally initiated innovation and to tell other districts how they might adapt it to their own needs. This type of local problem-solving capacity, however, is not widespread. And, unless local schools do have that capacity, the full potential of NIE's work cannot be realized.

In fiscal year 1974, NIE is examining the development of this capacity in large urban schools. Eight to 10 schools or clusters of schools will be given funds to extend existing programs, such as teacher centers, new governance systems, staffing and scheduling patterns, and other arrangements that provide opportunities for school staffs to improve the education they can offer their students. While the immediate beneficiaries will be those grantees, the evaluation component of this project will collect data that will be useful to all large urban school districts. Further, the evaluation contractor will be available to provide assistance to any other district that requests help.

In fiscal year 1975, NIE is requesting $8,638,000 to continue this and other fiscal year 1974 actiivties and to support 8 to 10 sites at the school district level that are developing approaches, such as research and evaluation offices or extensive staff development programs, that will strengthen their ability to improve education.

### PRODUCTIVITY

Education expenditures are rising rapidly—from $9 billion in 1950 to $96 billion this year—one-third faster in these years than can be explained by inflation or increased enrollments. Taxpayers, legislators, Governors, schools boards—all are concerned with lowering the rate of increase while not diminishing educational quality. NIE will assist schools in meeting this objective.

NIE's present emphasis is on developing ways of using modern communications technologies, such as television, audio casettes, videotapes, and even a communications satellite, so that they can enhance the quality of education available while reducing its cost. For example, it has been suggested that the communications satellite can be effective in serving remote rural populations or persons in mountainous areas. NIE has sponsored development of career education materials, preschool education programs, and teacher training courses than can effectively be transmitted to Appalachia, the Rocky Mountains, and Alaska by means of a satellite expected to be launched in June. The costs of this program, and the effectiveness of these means of transmission, will be evaluated in fiscal year 1975; the results of this project will help clarify the potential of advanced communications technologies in improving the education of children. A total of $16,458,000 is requested for this and other technology programs in 1975.

### EDUCATION AND WORK

Americans believe that education should advance their career and assume that education and economic success are related. In a 1972 Gallup Poll, 82 percent of those asked why they wanted their children to get an education responded either, "to get better jobs" or "to achieve financial success." At the same time, it is not clear what are, and what are not, the best ways for education to assist students in obtaining jobs in our society.

The experience-based program I mentioned earlier is developing one means of offering young people a chance to explore different career options and to prepare them with specific work skills and experience. In fiscal year 1975, NIE will explore ways that education can better prepare young people to assume the responsibilities of adult careers.

In addition, NIE will continue to support development of programs that will help adults advance in careers or to obtain worthwhile employment. Among the programs to be continued, for example, is the mountain plains residential program at Glasgow Air Force Base in Montana. In this project, NIE is exploring whether it is possible to help the hardcore unemployed by providing them work-related counseling and training, as well as by assisting their families with health services, financial counseling, and other education-related services. The project is being evaluated both in terms of the benefits to the participants, as well as in costs to the Government. The findings are preliminary, but they suggest that such a program might be cost effective. Since the project was transferred to NIE, costs have been lowered from $16,000 per family to $10,640—a sum roughly equal to what would be expended in just 5 years in welfare payments to the family in Montana. Of those who complete the program, 88 percent are employed, and they find jobs that pay 25 percent more per month than their last job before entering the program. If subsequent indications are as promising as these initial returns, R. & D. may have developed an approach to helping the hardcore unemployed that could be adopted on a wide scale.

A total of $21,293,000 is requested for these and other programs in fiscal year 1975.

### DIVERSITY

Children learn in different ways. Some learn better from oral presentations, some from written materials. Some learn better in open classrooms, some in traditional settings. Some non-English speaking children learn better if taught first in their native tongue, transferring later to English, others benefit from initial instruction in English. NIE's purpose in this priority area is to assist schools in developing approaches that accommodate the diverse educational needs of a pluralistic student population.

A total of $20,343,000 is being requested for programs in the diversity area, which includes the experimental schools, education vouchers, handicapped, and bilingual activities. I think you are familiar with the experimental schools and voucher programs, but let me briefly mention what we plan to do in the bilingual and handicapped areas. First, standardized tests used to measure the achievements of non-English speaking students often are inadequate to measure their abilities or diagnose learning problems. NIE will develop better and more accurate tests. Second, the needs of minority students too often are defined by persons outside minority communities. NIE will bring together researchers and educators from these communities so they, themselves, can suggest appropriate problems on which NIE should focus its resources.

## DISSEMINATION

Congress gave NIE the responsibility to assure that the products of research and development—whether they are supported by NIE or not—are transmitted to teachers, students, local school boards, and policy makers who are dealing with the day-to-day problems of American education. This dissemination function is a key activity of the Institute, for which we are requesting $12,850,000 in fiscal year 1975.

The bulk of this sum will be used to continue and improve the ERIC system, a compilation of materials relating to virtually all aspects of education and the largest information retrieval system in any of the social sciences. ERIC is used about 5 million times a year by those familiar with its operation, who have access to its materials, and who can frame their requests to receive the information they need. Despite this heavy use, ERIC needs improvement: It needs a broader base of information that is more relevant to educators, and it needs to be made more accessible to its users. NIE plans to correct both deficiencies, putting users in contact with people who can both collect data from the field and help them get information from the system.

In addition, NIE will provide funds to developers of promising educational products and practices so they can provide more useful information to schools about them. Through this program, for example, schools will be able to discover which products of the educational labs and centers are available to them and which meet their precise requirements.

## RESEARCH

Many of the activities above have immediate applicability to educators. Our basic and policy studies, on the other hand, are more clearly investments in the future.

For example, there is abundant evidence that education leads to different lifetime outcomes for boys and girls. An important part of this difference appears to result from biases in the way boys and girls are counseled, in the roles men and women are assigned in textbooks, or from the expectations that teachers have for accomplishments by boys and girls. Our understanding of the sources of this bias and the relative importance of factors causing it is fragmentary, being based upon ad hoc studies. The NIE proposes to develop a more comprehensive and systematic view of sex discrimination associated with schooling with the intent of providing information to teachers and administrators as well as publishers on how to correct undesirable biases.

NIE also is making a substantial investment in the area of teaching and curriculum. Some 32 States are adopting laws requiring that teacher certification be related to an applicants' competency to teach, yet, in truth, little is known about the attributes of a competent teacher. NIE's research, thus, is focusing on determination what teacher skills are needed to improve student achievement, how those skills can be taught and improved, and how selection procedures can be designed to measure those skills. Finally, NIE is continuing the major curriculum development efforts, such as Wisconsin's individually guided education program, which I described earlier.

A total of $25,556,000 is requested for basic and policy studies and teaching and curriculum activities in fiscal year 1975.

Thank you. I will be glad to answer any questions.

BEST COPY AVAILABLE

## Office of Education:
## Research and Development Programs;
## Total Discretionary Programs

Following are two tables. Table A lists Office of Education support for educational research and development activities. Table B lists Office of Education support for other discretionary--or non-formula grant--programs. In total these two tables show all OE discretionary support for FY 74 and 75. In 1974 and 1975, the totals for discretionary programs are $931,153,000 and $721,902,000. This compares with $896,000,000 for 1973.

As Table A indicates, Office of Education support for educational research and development totals $80,968,000 in FY 74, and $71,136,000 in FY 75. This constitutes only about 10% of all discretionary appropriations. The remainder of the funds as shown in Table B are used to support demonstration, training, service, and technical assistance activities. These activities do not constitute the types of programs which are supported by the National Institute of Education; that is, they are not systematic efforts to gather new knowledge about what works and doesn't work in education.

In summary, OE discretionary funds are used as follows:

| | (in thousands of dollars) | |
|---|---|---|
| Type of Activity | 1974 | 1975 |
| Table A | | |
| Research and Development | $ 80,968 | $ 71,136 |
| Table B | | |
| Service | $447,334 | $317,174 |
| Demonstration/Training | 133,773 | 92,639 |
| Demonstration/Service | 81,803 | 82,087 |
| Training | 90,522 | 56,630 |
| Demonstration | 31,659 | 40,534 |
| Construction | 31,425 | 22,252 |
| Service/Technical Assistance | 21,700 | 21,700 |
| Planning | 11,969 | 13,750 |
| Dissemination | --- | 4,000 |
| Subtotal | 850,185 | 650,766 |
| Total | 931,153 | 721,902 |

Of the Office of Education research and development activities listed in Table A, the Education for the Handicapped and Vocational Education activities have been retained at the express direction of the Congress. Follow-Through remains with the Office of Education because the program is in the process of being phased out and for this reason was not transferred to NIE. The other activities are relatively minor programs which relate to other Office of Education programs and have been retained for that reason.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### Office of Education

### Estimated Support for Educational Research and Development
(in thousands of dollars)

| Appropriation and Activity | 1974 | 1975 |
|---|---|---|
| Elementary and Secondary Education: | | |
| Follow-Through | $41,000 | $35,000 |
| Emergency School Aid: | | |
| Educational Television | 3,500 | --- |
| Education for the Handicapped: | | |
| Innovation and Development | 9,916 | 9,916 |
| Media Services and Captioned Films | 3,900 | 3,900 |
| Subtotal | 13,816 | 13,816 |
| Occupational, Vocational and Adult Education: | | |
| Innovation--Discretionary Grants | 8,000 | 8,000 |
| Research--Discretionary Grants | 9,000 | 9,000 |
| Curriculum Development | 4,000 | 4,000 |
| Subtotal | 21,000 | 21,000 1/ |
| Higher Education: | | |
| Foreign Language Training and Area Studies | 1,500 | 1,200 |
| Educational Activities Overseas (Special Foreign Currency Program) | 152 | 120 |
| Total OE Research and Development Programs | 80,968 | 71,136 |

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1/ These activities and funds for their support are included in the Consolidated Education Grant proposal for fiscal year 1975. Since these funds will not be earmarked for research and development activities, projections are based on 1974 funding levels.

## DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

### Office of Education

### Estimated Support for Other Discretionary Programs*
(in thousands of dollars)

| Appropriation and Activity | 1974 | 1975 |
|---|---|---|
| Elementary and Secondary Education: | | |
| Supplementary Services--Special Projects (D/S).... | $20,087 | $20,087 1/ |
| Strengthening State Departments of Education--Special Projects (D) ................ | 1,734 | 1,734 1/ |
| Strengthening State Departments of Education--Comprehensive Planning and Evaluation (P) .............................. | 4,750 | 4,750 1/ |
| Bilingual Education (D/T) ........................ | 50,350 | 35,000 |
| Right to Read (D/T) ............................ | 12,000 | 12,000 |
| Educational Broadcasting Facilities (S) .......... | 15,675 | 7,000 |
| Educational Television Programming (D) ........... | 3,000 | 7,000 |
| Civil Rights Advisory Services (S/TA) ............ | 21,700 | 21,700 |
| Drug Abuse Education (D) ......................... | 5,700 | --- |
| Environmental Education (D) ...................... | 1,900 | 1,900 1/ |
| Nutrition and Health (D) ......................... | 1,900 | 1,900 1/ |
| Subtotal ............................ | 138,796 | 113,071 |
| Indian Education: | | |
| Special Projects for Indian Children (D/S) ....... | 12,000 | 32,000 |
| Special Projects for Adult Indians (D/S) ......... | 3,000 | 8,000 |
| Subtotal ............................ | 15,000 | 40,000 |
| Emergency School Aid: | | |
| Bilingual Education Projects (S) ................. | 9,958 | --- |
| Educational Television (S) ...................... | 3,968 | --- |
| Special Programs and Projects (S) ................ | 12,447 | --- |
| Pilot Programs (State Apportionment) (D/S) ....... | 37,341 | --- |
| Special Programs and Projects (State Apportionment) (S) ............................ | 19,915 | --- |
| General Grants to Local Educational Agencies (State Apportionment) (S) ............. | 146,875 | --- |
| Desegregation Assistance Projects (Proposed Legislation) (S) ..................... | --- | 75,000 |
| Subtotal ............................ | 230,504 | 75,000 |
| Education for the Handicapped: | | |
| Deaf-Blind Centers (S) ........................... | 14,055 | 12,000 |
| Early Childhood Projects (D) ..................... | 12,000 | 14,000 |
| Specific Learning Disabilities (S) ............... | 3,250 | 3,250 |
| Regional Resource Centers (S) .................... | 7,243 | 9,243 |
| Media Services and Captioned Films (S) ........... | 9,100 | 9,100 |
| Recruitment and Information (S) .................. | 500 | 500 |
| Special Education Manpower Development (T) ....... | 39,615 | 37,700 |
| Subtotal ............................ | 85,763 | 85,793 |

*Explanation of abbreviations appears on page 3.

| Appropriation and Activity | 1974 | 1975 |
|---|---|---|
| **Occupational, Vocational and Adult Education:** | | |
| Career Education (D) | $ --- | $ 10,000 |
| Teacher Corps (D/T) | 37,500 | 37,500 |
| Urban/Rural School Development Program (D/T) | 11,529 | 6,355 |
| Career Opportunities Program (D/T) | 22,394 | 1,784 |
| Categorical Education Personnel Programs (T) | 8,399 | --- |
| Exceptional Children Education Personnel (T) | 3,907 | --- |
| Vocational Education Personnel (T) | 11,268 | --- |
| New Careers in Education (T) | 286 | --- |
| Higher Education Personnel (T) | 2,100 | --- |
| Adult Education--Special Projects (D/S) | 7,000 | 7,000[1] |
| Adult Education--Teacher Training (T) | 3,000 | 3,000[1] |
| Dropout Prevention (D) | 4,000 | 4,000[1] |
| Ethnic Heritage Studies (D/S) | 2,375 | --- |
| Subtotal | 113,758 | 69,639 |
| **Higher Education:** | | |
| Cooperative Education (S) | 10,750 | 10,750 |
| Special Programs for the Disadvantaged--Talent Search, Special Services in College, Upward Bound, Educational Opportunity Centers (S) | 70,331 | 70,331 |
| Strengthening Developing Institutions (S) | 99,992 | 120,000 |
| Construction--Subsidized Loans (C) | 31,425 | 22,252 |
| Language and Area Centers (T) | 9,833 | 7,440 |
| Fulbright-Hays Fellowships (T) | 1,360 | 1,360 |
| University Community Services--Special Projects (S) | 1,425 | --- |
| College Teacher Fellowships (T) | 5,806 | 4,000 |
| Fellowships for the Disadvantaged (T) | 750 | 750 |
| Ellender Fellowships (T) | 500 | 500 |
| Subtotal | 232,172 | 237,383 |
| **Library Resources:** | | |
| College Library Resources (S) | 9,975 | --- |
| Undergraduate Instructional Equipment (S) | 11,875 | --- |
| Librarian Training (T) | 2,850 | --- |
| Library Demonstrations (D) | 1,425 | --- |
| Interlibrary Cooperation and Demonstrations (Proposed Legislation) (D/S) | --- | 15,000 |
| Subtotal | 26,125 | 15,000 |
| **Educational Activities Overseas** (Special Foreign Currency Program) (T) | 848 | 1,880 |

| Appropriation and Activity | 1974 | 1975 |
|---|---|---|
| Salaries and Expenses: | | |
| Planning and Evaluation (P) | $ 7,219 | $ 9,000 |
| General Program Dissemination (Dis) | --- | 500 |
| Packaging and Field Testing (Dis) | --- | 3,500 |
| Subtotal | 7,219 | 13,000 |
| Total, Other OE Discretionary Programs | 850,185 | 650,766 |

1/ These activities and funds for their support are included in the Consolidated Education Grant proposal for fiscal year 1975. Since these funds will not be earmarked for specific activities, projections are based on 1974 funding levels.

* Explanation of Abbreviations:

C - Construction
D - Demonstration
Dis - Dissemination
P - Planning
S - Service
T - Training
TA - Technical Assistance

### DISSEMINATION

Mr. GLENNAN. A constant persistent criticism has been leveled at educational research and development and I must say leveled at all of the research and development you talk about. It is observed that we have difficulty in getting the results of research and development into practice and that we do not pay enough attention to the use of what we have learned, but rather that we are always off inventing new things.

The Institute has responded to this criticism by trying to increase its level of effort in the dissemination area. We have gone from about 4 percent of our effort in fiscal year 1973 to about 11 percent in the budget presented before you here.

### EDUCATIONAL RESOURCE INFORMATION CENTER (ERIC)

Those activities are somewhat varied in nature. The major part is the ERIC system, Educational Resource Information Center, which is a computerized data base that makes research results readily available to people across the country. We do find that system needs modification and improvement. It is not as easy to use by teachers and administrators——

Mr. FLOOD. For the record, and not now, you had better develop within reason the ERIC system.

Mr. GLENNAN. We will give you some information on its utilization and so forth.

[The information follows:]

The reported findings of educational research or experience have frequently been unavailable to the teachers, administrators, planners and policymakers who might apply that knowledge to their education practices and programs. It has, in the past, been a near-impossible task for an educator to consult a comprehensive set of sources about an education problem or topic because research related to education is often either unpublished or it is reported in a large number of different publications which circulate to limited audiences. ERIC, the Educational Resources Information Center, was designed to link education practitioners with research by providing access through a few sources to the widely scattered literature related to education.

The ERIC system provides information services in two ways. One, it distributes documents directly to people who need materials about a particular topic; and two, it produces information resources for use by organizations that serve local, State, and regional education communities. When an educator speaks of going to ERIC then, he may mean a number of things. He may mean consulting indexes and bibliographies published by ERIC. Or he may mean going to an information center which offers computer searching of ERIC files. He may mean ordering copies of documents listed in ERIC indexes and bibliographies. Or he may mean going to an ERIC clearinghouse where information specialists assemble packages of documents and abstracts from ERIC and other sources in response to questions.

ERIC's two major publications, "Research in Education" and "Current Index to Journals in Education," are found in education-related organizations, libraries, and education information centers around the country. There are currently about

5,300 subscribers to RIE and 2,300 subscribers to CIJE. RIE is a monthly abstract journal which describes the documents recently added to the ERIC collection, lists the terms by which they are indexed, and indicates where they may be purchased. CIJE refers people seeking information about a topic of author to articles in education-related journals. It announces, provides indexes and annotations for articles in about 600 journals.

Additional ERIC products designed for organizations that provide education information services are: ERICTAPES—magnetic tape storage of the RIE and CIJE data bases, which can be computer searched by a variety of software packages; ERICTOOLS—a series of indexes, directories, and cross-referenced lists for searching the ERIC document collection manually; and the document collection itself, reproduced on microfiche.

An individual ERIC user may obtain copies in print or on microfiche of most of the documents announced in RIE from the ERIC Documents Reproduction Service (EDRS). The remaining documents are available from authors or publishers. ERIC special subject bibliographies, catalogs, and historical reports, which are described in RIE, may be ordered from EDRS, the Government Printing Office, or other ERIC contractors.

Sixteen specialized clearinghouses acquire documents related to their fields for example, "Higher Education" or "Handicapped and Gifted Children" and scan journal articles for related articles. Clearinghouses collect these documents from Government agencies, from professional organizations with whom they have information exchange and publication arrangements, from individuals who submit papers to be announced in RIE, and from a number of other contacts in their fields. The documents are screened for selection, cataloged, indexed, abstracted, and forwarded to the ERIC processing and reference facility. Journal citations are forwarded to the contractor who published CIJE. Clearinghouses also provide direct user services: They produce information analyses—papers for which research on special topics is collected and rewritten for specific audiences, such as teachers; and they answer questions or refer inquirers to other sources when educators call, mail, or walk in for information.

The ERIC processing reference facility prepares the document résumés submitted by clearinghouses for publication of RIE and for reproduction on magnetic tape. Publication and distribution of CIJE is handled by a separate commercial contractor, who also has developed many of the printed tools for searching the ERIC data bases. The ERIC Document Reproduction Service reproduces and distributes microfiche collections of RIE documents for standing order customers and microfiche, and printed copies of documents for on-demand customers. Printing and distribution of RIE is currently done by the GPO.

As an organization, the term ERIC refers to any or all of the units of this decentralized system. The publications, the tapes, the microfiche and printed copies of documents which are the output of the ERIC system are generated, collected, organized, published and reproduced by a network of contractors across the country. Central management of all the ERIC operations is the responsibility of the Office of Dissemination and Resources in the National Institute of Education. At the Government level of the system, NIE makes policy decisions about ERIC structure, ERIC output, monitors and coordinates the work of the contractors. At the nonprofit level, the 16 clearinghouses which are sponsored by professional organizations or universities as host institutions perform the task of collecting information for the ERIC knowledge base. At the commercial level, the ERIC facility, EDRS and the CIJE publisher provide technical services for publication and reproduction.

As a complete system, ERIC is of course, evolving and improving. The system, originally intended for education researchers, is being expanded to include the interests of practitioners as well. In the short term, the principal changes will be greatly improved accessibility to information and a greater variety of kinds of information that will be made available to the users of ERIC.

*Summary of ERIC statistics*

| | |
|---|---|
| *ERIC usage data:* | |
| (1) Organizations maintaining a complete ERIC collection: | |
| Universities and colleges | 378 |
| Local education agencies | 40 |
| Foreign countries | 38 |
| Other | 75 |
| Total | 531 |
| (2) Subscribers to RIE | 5,300 |
| (3) Subscribers to CIJE | 2,300 |
| (4) Regular subscribers to ERIC tapes | 50 |
| (5) On-line computer terminals accessing ERIC files | 100 |
| (6) Questions answered by ERIC clearinghouses from: (annually) | 95,000 |
| Practitioners (percent) | 53 |
| Students (percent) | 26 |
| Information (percent) | 11 |
| R. & D. (percent) | 8 |
| *ERIC system data:* | |
| (1) Documents acquired by clearinghouses (annually) | 35,000 |
| (2) Total number of documents listed RIE | 77,000 |
| (3) Total number of journal citations listed in CIJE | 87,000 |
| (4) Total number of microfiche sold (annually) | 13,000,000 |
| (5) Total number of on-demand microfiche titles (annually) | 66,000 |
| (6) Total number of on demand hard copy (print titles) sold | 42,000 |
| (7) Growth of RIE files (number of documents annually) | 14,000 |
| (8) Growth of CIJE files (number of citations annually) | 20,000 |

Mr. GLENNAN. We are carrying out studies now that deal with the improvement of that system and making it more accessible and more usable by people. An important part of that is to include people in a way that has been done in a number of exemplary projects we have started in the States and some localities.

It appears that people more readily use information when it comes from a person than when it comes out of a computer.

So one of the things we hope to do is work closely with the States, particularly with the State agencies which we think have a unique capacity in the dissemination area to make this information more readily available.

There are a number of other activities that involve trying to improve the dissemination of the kinds of products we have here, making sure people know about them, know what they can do, so there is a utilization of the work we have carried out.

### NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Mr. Chairman, if it is all right with you I would like to ask Mr. LeMaistre to perhaps make a couple of comments in the perspective of the National Council. As you know we are kind of a unique agency in this regard, buried down in HEW, having above me a policy-making council a bit like a board of trustees.

Mr. FLOOD. It is not unusual to get buried down at HEW.

Mr. GLENNAN. I feel that way sometimes myself. The Council has been very active, and the Congress has been quite interested in the way in which the Council has acted. And Dr. LeMaistre has been able to find time to come to be with us here. I thought it would be useful to have him make a few comments.

**Mr. Flood.** Yes, Dr. LeMaistre.

We will put a biographical sketch of you in the record.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH OF CHARLES AUBREY LE MAISTRE M.D.

Position: Member, National Council for Educational Research.

Birthplace and date: Lockhart, Alabama, February 10, 1924.

Education: University of Alabama, Bachelor of Arts—1944; Cornell University Medical College—1947, Doctor of Medicine.

Experience: 1970–present: Chancellor, University of Texas System Austin, Tex.

1969–1970: Deputy Chancellor and Chancellor-Elect, University of Texas System, Austin, Tex.

1968–1969: Executive Vice-Chancellor for Health Affairs, University of Texas System, Austin, Tex.

1947–1966: Instructor, Assistant Professor and Professor of Medicine, Cornell, Emory, Southwestern Med. School.

1953–present: Consultant, USPHS; Bureau of Health Manpower, HEW; others.

Publications: Author of two dozen scientific papers related to preventive medicine, infectious diseases and epidemiology.

Membership: Commission on Non-Traditional Study; President's Commission on White House Fellows; Stillman College Development Council, Tuscaloosa.

**Dr. LeMaistre.** I appear before you as a member of the 15-member Council that has now been in operation for about 10 months in its job. As you know, it was delayed, sworn in on July 10 a year ago. This group has been quite active, as Dr. Glennan has indicated, meeting monthly to try to consider the problems of NIE and their transition. We were most impressed, as most of you are well aware, with the difficulty of the transition for a new institution that inherited about 80 staff from another organization and about $90 million in ongoing programs. We immediately began to review these and whittle them down to size, eliminating those clearly not of the quality relative to their congressional mandate, and then to put others under closer surveillance and to commit funds to those that were obviously of great worth.

This was largely done prior to the time the Council became active. The Council became active and acquainted itself with these ongoing programs and immediately requested the Director and his staff to come up with program priority areas, and you have had those presented to you before. We believe very strongly in these program priority areas where we think the quality of the research in these areas will be directly related to the success of the National Institute of Education.

The Council has been divided into subcommittees working directly with the staff in each of those five program priority areas, and at times we are visiting the sites to see firsthand the operation and try to evaluate our position from the standpoint of a policymaking body as well as an advisory body in relationship to the National Institute of Education.

Mr. Chairman, I would speak for the Council only in telling the committee that it is a heterogeneous group of educational leaders from around the country who hold many diverse views of the ongoing programs. They have been free and open with their discussion and very generous with their time and are deeply involved in the future of this institution.

Mr. FLOOD. Teachers as well as administrators?

Dr. LEMAISTRE. Yes, sir. I would say there are teachers at all levels of education in relationship to grade.

Mr. FLOOD. Some are female?

Dr. LEMAISTRE. Yes, sir, I think the Council is very well balanced in that regard.

Mr. FLOOD. And geographically also?

Dr. LEMAISTRE. It is geographically dispersed throughout the United States.

Mr. FLOOD. Academic and technical institutions, too?

Dr. LEMAISTRE. I would have to refer to the Director on that.

Mr. GLENNAN. I have an economics degree and engineering degree. The background is varied as Dr. LeMaistre says.

Mr. FLOOD. How do you get an M.A. at MIT?

Mr. GLENNAN. It was supposed to be an M.S. It always has been in the past.

Mr. FLOOD. We will leave that one out.

Dr. LEMAISTRE. Let me close by simply telling you that from a point of great concern as to how one would approach the problem of meeting the legislative mandate here, I think the Council now has full confidence that the staff is moving in the direction of meeting this. It was not as easy as starting a new institution, for in fact it was both a new institution and an institution with inherited staff and programs.

Mr. FLOOD. You are under the guns.

Dr. LEMAISTRE. There is no question at all about it. I think Dr. Glennan has done a fine job in bringing together those staff who want to work in this cause and giving them the responsibility. The Council is deeply involved and committed to the programs now ongoing, particularly those that come under the priority area.

Mr. Chairman, I would be very pleased to answer any questions about the role of the Council for you if I have the information.

Mr. FLOOD. I think it is a very good idea that you appeared.

### 1975 BUDGET REQUEST

You want $130 million in 1975. That is an increase of $55 million.

Mr. GLENNAN. That is right.

Mr. FLOOD. This is an Appropriations Committee. That is $55 million over the 1974 appropriation. Outside of your waistline, how can you possibly expand that much in 1 year?

Mr. GLENNAN. Of course, sir, the $75 million we view as an abnormally low level. The 1973 level of expenditure of the Institute was $106 million and it carried on after the 1st of July last year an additional roughly $20 million of programs which it inherited from the Office of Education and from the Office of Economic Opportunity. Historically then our level of effort in 1973 was $126 million, and that is really the kind of level of effort we have been geared up to do. The $75 million we take as being an indication of serious concern by the Congress, but we have continued to try with the staff we have in hand to plan forward to create the opportunities to effectively spend those kind of resources.

### NEW VERSUS CONTINUING PROJECTS

Mr. Flood. On that $130 million, how much of it is for the continuation of existing programs and how much for new programs?

I don't know if this is a good analogy but I think it is. I have been on the Defense Appropriations Subcommittee since it was established. We had our problems. The war was on. We had our bases in England. We were whacking at Germany and we were going and going. And every day we had a meeting. We met four and five times a day and night. In would come the people with a plan for a new bomber and at 4 they would come in with a plan for a new bomber and at 7 they would come in with plans for a new bomber. This went on for days and days. You see what I mean. How much of this is for new programs?

Mr. Glennan. Let me go back to the question you asked a minute ago.

Mr. Flood. These planes were all great and good and they turned out fine but they wouldn't fly.

Mr. Glennan. I am going to respond to you on the assumption that we get the supplemental, if I may, first, because that is what we are testifying to here, that is what the justification materials and the testimony refer to.

Under those circumstances then the commitment base, that is those things which are ongoing, is approximately $80 million. We have worked very hard to make those programs worthwhile, useful, and available.

I believe that our first responsibility has been to try to take what we inherited and turn it into something that is useful to school people across the country. I would like to believe we have done a successful job of doing that.

That $80 million I should say also includes our program direction and administration. So that base includes the people we have.

The remaining $50 million roughly then is expended in a number of areas. About $21 million of it is associated with the priority concerns that the National Council has established, the concerns of improving the essential skills——

Mr. Flood. That is a good sentence. Go ahead.

Mr. Glennan. Improving the essential skills, particularly reading. In the first couple of years we are putting emphasis on reading. Improving the relationship between education and work. Improving the problem-solving capacity of State and local education agencies. Improving the productivity of educational resources and dealing with the diversity of needs of various students in our society.

Those five priority areas receive $21 million for their activities.

In addition to that, some significant part of the research grants program, a newly initiated program, a program that responds to the research in the field and to other research areas, is field initiated and directed from the field as opposed to directed from the Institute.

## PROGRAM TRANSFERS

Mr. **Flood**. The justifications are weapons we use against you. It is in English. Some of it sounds like O'Henry, not Dickens, but it is your justification.

They indicate that $68.6 million out of your budget is for transferred programs. Here is something else. How much of this relates to the programs transferred from OEO? OEO was fragmented and somebody realined the priorities.

Mr. **Glennan**. The OEO programs are about $5.4 million of that total in two programs. First the voucher program and second a major study of competencies of teachers that are associated with effective learning of their students.

Mr. **Flood**. For the record, then, give us a list of the programs, all of the programs that were transferred from other agencies to you, and the amount you transferred for fiscal year 1974 and fiscal year 1975. That is what you did. You can do that for the record.

Mr. **Glennan**. Yes.

[The information follows:]

## PROGRAMS TRANSFERRED FROM OTHER AGENCIES WITH AMOUNTS PROVIDED IN FY 1974 and 1975 BUDGETS

| A. Programs Transferred from OE | FY 74 | FY 75 |
|---|---|---|
| 1. Educational Labs/R&D Centers | $33,549,000 | $26,428,000 |
| 2. Career Education Model Development | 6,053,000 | 13,292,000 |
| . Experienced-Based Model | (5,010,000) | (5,472,000) |
| . Home-Based Counseling Model | (200,000) | (2,800,000) |
| . School-Based Model | (180,000) | (20,000) |
| . Residential-Based Model | (663,000 | (5,000,000) |
| 3. D.C. Schools Project | 2,350,000 | 2,500,000 |
| 4. Career Internship Program, Opportunities Industrialization Center | 1,151,000 | 1,400,000 |
| 5. ERIC Clearinghouses | 3,017,000 | 3,704,000 |
| 6. Experimental Schools Projects | 3,550,000 | 5,048,000 |
| 7. Education Satellite Projects | 4,981,000 | 4,920,000 |
| 8. State University of Nebraska(SUN) Project | 1,298,000 | 2,900,000 |
| 9. Other Individual Projects-Handicapped, Project Talent and the Child Study Center | 3,471,000 | 3,008,000 |
| Subtotal | $59,420,000 | $63,200,000 |

| B. Programs Transferred from OEO | FY 74 | FY 75 |
|---|---|---|
| 1. Teacher Characteristics. Commission for Teachers Preparation and Licensing | $1,505,000 | $1,500,000 |
| 2. Alum Rock Union School District, San Jose, California | 3,000,000 | 2,700,000 |
| 3. Evaluation of Alum Rock, Rand Corporation Santa Monica, California | 900,000 | 1,200,000 |
| 4. Data Management Contract, C.M. Leinwand, Newton, Massachusetts | 241,000 | |
| 5. Technical Assistance Site Selection - Center for Study of Public Policy, Cambridge, Massachusetts | 108,000 | |
| 6. New Hampshire Planning Grant | 88,000 | |
| Subtotal | $5,842,000 | $5,400,000 |
| TOTAL | $65,262,000 | $68,600,000 |

### R. & D. PROGRAMS NOT TRANSFERRED

Mr. **Flood.** What kind of R. & D. programs were not transferred from other agencies? There they are. If you are going to do all of that, why weren't all of the R. & D. programs transferred over to the Institute? If you are that good, why not?

Mr. **Glennan.** A major part of the failure to transfer programs was the Congress intent, that is in enabling legislation setting up the Institute as I mentioned in my testimony——

Mr. **Flood.** That is a novel thing. You mean you are paying attention to the intent of Congress?

Mr. **Glennan.** I am.

Mr. **Flood.** If you do nothing else to justify your existence, that does.

Mr. **Glennan.** Particularly the handicapped and vocational education areas research activities do remain in the Office of Education, and I believe that the justification for that is that there has arisen such a close connection between the research activities and the specific program activities, which are specialized activities, it was deemed inappropriate by the Congress to separate those two.

Mr. **Flood.** Whenever you say these, those, and them, pick out one exhibit A for the record.

Mr. **Glennan.** That hasn't been transferred?

Mr. **Flood.** Every time you say this or that or those. Believe me your record this year, I tell you out of an abundance of caution, is going to be read pretty carefully by a lot of people. To protect your flanks stick in exhibit A for each one of those things.

Mr. **Glennan.** All right.

[The information follows:]

### An Example of an R. & D. Program Not Transferred to NIE—The Followthrough Project at the Office of Education

Followthrough is an experimental program designed to test the effectiveness of various models of early primary education programs being developed to increase the achievement of disadvantaged children who have been enrolled in Headstart and other similar preschool programs. Typically, the academic program stresses reading and language development, classification and reasoning skills, and perceptual motor skills. This program is in the process of being phased out by OE and it did not seem administratively reasonable to transfer the activities to NIE.

### DISTINCTION BETWEEN NIE AND OE

Mr. **Flood.** Many of the activities you are talking about in your budget are also shown in the budget of the Office of Education. You are talking about career education, bilingual education, education of handicapped children, and dissemination, et cetera, et cetera.

Mr. **Glennan.** Right.

Mr. **Flood.** Will you explain how your programs differ from those supported by the Office of Education? Tell us that briefly and then be sure and expand that one for the record.

Mr. **Glennan.** Yes, we will be delighted to expand it for the record.

[The information follows:]

### HOW DOES THE INSTITUTE'S PROGRAM DIFFER FROM THAT OF THE OFFICE OF EDUCATION?

The U.S. Office of Education supports demonstration, training, service, and technical assistance activity while NIE's efforts are primarily research and development oriented.

Only about 10 percent of the OE activities can properly be labeled research and development. These activities generally remain in OE at the specific direction of the authorizing committees of the Congress. And unlike NIE's research and development programs, they generally are based on current or common knowledge; they are not designed to increase what is known, to test assumptions specifically, to compare the results of new programs to traditional ones, nor to develop information that would be applicable across the country, as well as to the participating schools or students.

Mr. GLENNAN. Perhaps I could ask Dr. Rieder, who is the head of the career education program in the Institute, to talk about how her program compares with what is being proposed by the Office of Education in that area.

Mrs. RIEDER. There is a potential for overlapping in three areas with OE in part D demonstration projects and research and development. NIE is not funding any demonstration projects in "Career Education or Vocational Education."

Curriculum development is one area where both agencies have the mandate to do curriculum development. However, we have alleviated needless duplication by working closely together, Bill Pierce, the Deputy Commissioner in the Office of Education and myself.

For example, he is funding several skill training curriculum development projects in hospitality, recreation, and in marine science.

Obviously we would not want to fund curriculum development in those areas. However, we are funding a career exploration project in a junior high school.

Essentially, yes, there is an overlap, but what we are doing is working closely together so we are not funding the same kind of projects.

Also, for example, as Mr. Glennan talked about our experience-based projects, when that gets to a stage where we want to demonstrate it, we will be working closely with them to use part D of the Vocational Educational Act funds to demonstrate that experience-based project, so that local school systems can call upon those resources to put that program into action.

Mr. FLOOD. Will you expand that for the record for your shop?

Mrs. RIEDER. Yes.

[The information follows:]

### DESCRIPTION OF EBCE EFFORTS IN COORDINATION WITH PART D OF VOCATIONAL EDUCATION ACT OF OE

In an effort to coordinate the development of the experience-based career education program (EBCE) with the need for future demonstration and replication funding, NIE's Career Education Office has had close and continuous communication with the director of the vocational education-innovation program. As a result of these conferences, the Office of Education is planning for future demonstration and implementation of the experience-based program.

In the interim, NIE will continue to refine and document the EBCE program at the four developmental sites. As a response to the legislative mandate to play a significant role in the replication and dissemination of our own developmental projects, NIE has devised a short-term replication and diffusion strategy, which has been initiated this year. Assuming assessment data continues to be positive, NIE replication planning will result in planning grants to local education agencies in fiscal year 1975, which in turn will mature into EBCE programs within those school districts in fiscal year 1976 and beyond. The purpose of this replication effort is to learn more about what happens when this laboratory-produced program is exposed to a number of different environments and new pressures.

In addition, during fiscal year 1975, NIE will plan a national diffusion strategy for EBCE which will incorporate the use of vocational education demonstration sites and heavily involve State departments of education, chambers of commerce, labor unions, and other appropriate groups.

### COORDINATION WITH OFFICE OF EDUCATION

Mr. FLOOD. Now that you have said that—these are leading questions—how do you coordinate your program? After all of this is done, how do you coordinate them with the Office of Education? We have experienced this. We have an energy crisis and the energy people are saying to me, Mr. Simon and that crowd, and I am in an anthracite coal area, we have to have coal. We have to have it last night. And the people across the street cut out my railroads and I can't get the coal out. It is that kind of thing.

Mr. GLENNAN. I have sought to coordinate, and Dr. Ottina has helped me in this regard by trying to bring together those parts of the Institute with those parts of the Office of Education that have overlapping or potentially overlapping missions, at least missions that would overlap in the view of the public. Therefore, we have tried to get from both of our staffs joint statements, or we are in the process of getting joint statements as to what the programs are doing, and for the public where you should look for what kind of support or what kind of information.

So in the right to read program, for example, Ruth Holloway has an active program of searching out good current practice, supporting demonstrations, and supporting State departments with coordinators and so forth. We have tried to work with her so that our work will be useful to her demonstration activities, and to her activities that try to improve the state of the art. And then to seek from her guidance as to where our research ought to be going, what new information she would like to have or new products she would like to have. I have a draft of a joint statement here so that the public would know what activities are the responsibility of each agency.

### CONTRACTS AND GRANTS

Mr. FLOOD. Let me help you again. In all of your projects do you base them on competitive bids or just select certain organizations?

Mr. GLENNAN. I would like to answer in two parts. If you look at our total record, because of the fact that we inherited so many programs, most of our awards have been noncompetitive representing continuations of inherited programs.

But I did ask, in preparation for just such a question, what had happened to those new funds that we had spent in the current fiscal year, those funds which were not tied to previous activities. There we find that 65 percent were awarded on a competitive basis. An additional 12 percent went on what we call unsolicited proposals, in which there is an extensive review within the agency that is designed to make sure that there is not a single person awarding a friend some resources.

Three percent of those funds represent interagency agreements where we have transferred funds to other agencies to carry on work for us, and 20 percent were for sole source contracts mostly for conferences or consultants or commission papers.

Mr. FLOOD. You were certainly ready for that question. "I just happen to have here a verse and chorus."

When you make up your mind that research is needed for some specific kind of area, do you send out, as some do, the general request for proposals, or again do you select certain organizations in advance before you take the curtain up? What do you do?

Mr. GLENNAN. I do my best not to select certain organizations in advance unless of course, and I think there are important exceptions, you do have very unique capabilities in some institutions. But I have found over the years of experience I have had in the Government that very frequently program people will come to me and say this organization has got to be it, and I have said I won't accept that, and they have changed their mind by the time they have had that competition.

So we are trying very hard I think to use competition to the maximum extent possible. For example, if there was an activity that was going to revolve around Sesame Street, perhaps a trial of a particular set of things within Sesame Street, and the Children's Television Workshop came to us we would say they were uniquely competent to do that.

### NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Mr. FLOOD. When the National Council on Educational Research all stood around to get together to decide on a priority area, a big deal, as far as you know did they assume that a specific funding level would be available when they sat down around the table? Do you know?

Mr. GLENNAN. Maybe it would be best to have Dr. LeMaistre respond.

Dr. LEMAISTRE. It is rather easy to do. In the short history of the Council and NIE we have had no assured levels, so the question hasn't come up. But I don't believe that this Council is necessarily interested in spending funds appropriated by the Congress on unworthy projects.

Mr. FLOOD. Does the Council suggest a distribution of funds by a priority area?

Dr. LEMAISTRE. The Council approves the recommendation of the staff in this regard based upon the programs that fit into those areas, but the programs are at the heart of the matter—are they going to be productive? Are they going to solve the problems in that area? Then they are characterized in that particular set of problem-solving areas.

### POSTSECONDARY PROJECTS

Mr. FLOOD. What kind of projects are you supporting in the postsecondary area?

Mr. GLENNAN. We are supporting a couple of major ones. First, we have a major relationship with the National Center of Higher Educational Management in Boulder, which is producing management systems and developing standards that help improve the efficiency of postsecondary educational institutions.

They are moving now, I am told by its director, toward including proprietary institutions as well as simply the normal higher education institutions. So that is one major kind of activity in an attempt to improve the efficiency, if you will, of higher education.

A second activity, which I think is very exciting potentially, is in the State University of Nebraska which is attempting to bring television and other media to higher education, to postsecondary education, in such a way that students can get what education they want at times when they want it, in places where they want it. In other words, it is a form of continuing education, accessible education. We think it may have very great significance.

Mr. **Flood.** That is being done in primary schools too?

Mr. **Glennan.** Very few primary schools will allow a child to get all of their education at home, for example.

Mr. **Flood.** I see.

Mr. **Glennan.** This would allow a student in postsecondary school to go to a library which might be the resource center and find video tape cassettes or movies. But it is a whole system designed to help reach out to people particularly in rural areas. In Nebraska there is quite a diffuse population. We think that the Nebraska project has a great deal of potential, and we are in the midst of a rather intensive planning activity with them. Our proposal to you does contain resources for continuing that activity.

### WOMEN'S STUDIES

Mr. **Flood.** You mentioned also in your justification the activity "Women's Studies." Are you proposing a large increase in this? What are you talking about? What do you mean by women's studies?

Mr. **Glennan.** The studies we are proposing to carry on basically deal with the understanding and improving of the manner in which women are treated by educational institutions within our society.

We have carried on a set of activities this year, activities which are looking at the way in which counseling perhaps brings bias in the kind of recommendations of occupational careers that women might be likely to succeed in.

Mr. **Flood.** Do you bring in pay scales too?

Mr. **Glennan.** We would, I think, look at the issue of pay scales in future work. What I was describing to you was a particular activity which we have just concluded that has gotten some notoriety recently in Mr. Kilpatrick's column. But it is true if a man and a woman provide the same answers to questions on a counseling inventory they will get a different recommendation as to what occupation they really ought to go into. There is a bias, if you will, in terms of what kind of careers are recommended as a result of taking those tests. We think that is a serious problem. We think that kind of bias should not exist, and we have consequently been working on trying to improve those kinds of materials and information available to guidance counselors in the country.

We have other kinds of activities we are interested in. We know that women participate less heavily in certain kinds of higher educational programs. There are fewer women engineers. Why is that the case?

Mr. FLOOD. You mean there are taboos or something?

Mr. GLENNAN. That is the issue I think. We would like to know if there is something in the way they have been counseled or if there is an inherited preference? Is there something in the way they are treated by teachers? There is a lot of anecdotal evidence and some ad hoc studies we want to combine.

Mr. FLOOD. How many female seniors were there at MIT this year?

Mr. GLENNAN. I have no idea. More than when I was there.

Mr. FLOOD. I know that.

### MULTIYEAR FUNDING

Here is something which concerns this subcommittee especially. Especially is a careful statement. Are you familiar with the term "multiyear funding" which is one of our pet hates?

Mr. GLENNAN. Yes.

Mr. FLOOD. You are a new shop. To what extent do you fund projects for more than 1 year from annual appropriations? Are you mixed up in this?

Mr. GLENNAN. Yes; we certainly are. We have tried with respect to our large field-based programs in school systems to forward funds to provide them with some degree of certainty in what, from their point of view, are high-risk situations, some degree of certainty of future funding. For exactly the same reason, I think, proposals have been made to fund title I activity on a forward funding basis. So in our experimental schools program and in the voucher program the grants or contracts have been made for 2 years, 30 months, something in that order, to give that sense of continuity and ability to plan for schools. We think that is an important consideration when you are dealing with school-based activities.

In addition, last year in our research grants program we did fund up to 3 years out of that single appropriation. It was an annual appropriation.

Mr. FLOOD. Just so you know, our first love here is annual awards.

Mr. GLENNAN. I understand that. We tried last year to get you to reconsider that but we didn't succeed.

### EXPERIMENTAL SCHOOLS

Mr. FLOOD. What is the status of experimental schools? How many are there?

Mr. GLENNAN. There are 18 sites.

Mr. FLOOD. What is sacred about 18?

Mr. GLENNAN. There is nothing sacred about 18 except that is what was there when we started with them.

Mr. FLOOD. Where are they geographically?

Mr. GLENNAN. They are all over. I can provide a list of them for the record.

[The information follows:]

### GEOGRAPHIC LOCATIONS OF 18 EXPERIMENTAL SCHOOL SITES

Five large sites are operated in the following areas:
- Minneapolis, Minn.
- Berkeley, Calif.
- San Antonio, Tex.
- Tacoma, Wash.
- Greenville, S.C.

The local Urban League operates street academies in:
- Oakland, Calif.
- South Bend, Ind.
- Washington, D.C.

Small rural school districts are testing experimental ideas in 10 sites.
- New Augusta, Miss.
- Hawesville, Ky.
- Myrtle Creek, Oreg.
- Quilcene, Washington State
- Constantine, Mich.
- Groveton, N.H.
- Willcox, Ariz.
- Saratoga, Wyo.
- Lead, S. Dak.
- Craig, Alaska

Mr. GLENNAN. Twelve of those are what we call small school sites, which is a group of schools that are typically not very much paid attention to by research people. They are small and I guess many people think uninteresting. We have tried to work with them. The smallest one I think has 125 students in it up in Alaska.

Mr. FLOOD. Give us a few results. What results have you achieved from such a program?

Mr. GLENNAN. In the city of Minneapolis where there is a program that deals with alternative schools, we are trying to provide alternatives to people administratively so there is a free school, open school and traditional school.

Mr. FLOOD. For the record will you define each of those terms?

Mr. GLENNAN. Yes.

[The information follows:]

### DEFINITIONS OF FREE SCHOOLS, OPEN SCHOOLS, AND TRADITIONAL SCHOOLS

#### FREE SCHOOLS

A free school is one in which the authority that teachers and administrators have in determining the content and conditions of learning is either shared with or turned over completely to the students. The students have considerable freedom to decide what they want to learn, when they want to learn and what they will produce. Formal instruction is deemphasized and the course of study tends to be fragmented and discontinuous representing the month to month changes of interests among students. Attendance, a set time in class, giving of grades and formal assignments are all frowned upon as being negative incentives to learn.

#### OPEN SCHOOLS

An open school environment is one in which the authority structure of the school is still dominated by adults however, within that structure, students are offered considerable choices as to how they will spend their time. Often students will choose from among a variety of curriculum units of instruction which are offered to them and one of these units may last 1 week or 6 months. The most common mode of teaching is within small groups which allows for a great deal of teacher-pupil interaction. Students are generally organized and assigned to classroom groups based on interest, social maturity and intellectual ability.

### TRADITIONAL SCHOOLS

The central idea behind a traditional school is that education is a process to be directed and controlled by professional educators. The role of students is clearly and narrowly defined. The student must come to school each day at a precise time, follow a schedule of events and a fixed curriculum established by adults, and carry out those tasks directed to them by teachers. The importance of discipline, quiet and conformity to adult rules serve as the key elements to operating an effective traditional school.

Mr. GLENNAN. That program has been so popular in its one operating section of the city that the school board decided it should be expanded more widely. Because we don't have the evaluation results, we were a little concerned about making that decision as early in the game as they made it. Apparently on the basis of what they saw and reaction of their parents it was a sufficiently successful endeavor that they felt it ought to be expanded.

### FIVE SELECTED PROJECTS

Mr. FLOOD. I know you need a lot of help. I am going to try to help you. Don't get carried away with this thing. Of all of the projects you are supporting, suppose you select five that you feel are the most promising—five, not five and one half—for the record and insert a brief summary of each one.

Mr. GLENNAN. We will be delighted to do that.

[The information follows:]

### MINNEAPOLIS PUBLIC SCHOOLS, MINNEAPOLIS, MINN.

In southeast Minneapolis, the goal of comprehensive educational change centers on educational options. Although southeast's population exceeds 30,000 it has less than 3,000 school-age children. All are included in the experimental schools project, known locally as the southeast alternatives project (SEA). In 1973 the attendance area was increased to include Cedar-Riverside, a new community being developed with the aid of a Department of Housing and Urban Development grant. Its students have an option to enroll in southeast alternatives or to attend neighborhood schools—most have chosen to attend an SEA option.

At the elementary level, there are four alternative schools from which to choose. One is patterned on the traditional free school (also offering a high school program), but is funded and recognized by the Minneapolis Public Schools. One is an open school, based on the British integrated day school. Another utilizes new technologies and a "continuous progress" approach that allows children to move through the curriculum without regard to grade levels. The final option is a self-contained, graded classroom school, which Minneapolis calls the "contemporary" school, and which incorporates the best of promising practices available in the Minneapolis system.

At the secondary level, educational options mean that a wide range of alternatives are available to 7th–12th graders. Students may, for example, organize their own courses and/or work programs which, if they meet specific criteria, are accredited and considered a legitimate option.

In addition to education choice, Minneapolis' plan for comprehensive change includes: decentralizing governance and administrative systems; heightening and sharpening parent involvement in school activities; stimulating support from the university community, and operating a Teachers Center, as a forum in which teachers and school staff generally share knowledge and receive counsel from experts in their profession. The overall plan attempts to link the southeast community into a unified agent for change.

The evaluation of the Minneapolis experimental schools project is a 5 year research effort by ARIES Corp. The research team is exploring processes and impacts in three cultural spheres within SEA: (1) Community culture—including the various agencies of community involvement, governance structures, information networks, public and parent attitudes about schools and schooling, and communication networks; (2) school culture—including school environments, staffing and staff development, decisionmaking, and administration; (3) student culture—including affective and cognitive development, friendship and peership, games, activities, folklore, students' view of time, space, scheduling, and social relationships. The cultural components are monitored both individually and in respect to the relationships which exist between them.

### THE BEGINNING TEACHER EVALUATION STUDY

The purpose of the NIE beginning teacher evaluation study is to identify those teaching behaviors which significantly influence student performance in reading and mathematics. The study is being conducted by the California Commission for Teacher Preparation and Licensing which will use the results of the study to develop a new statewide teacher licensing system.

The study has been divided into three phases: the design phase, the pilot year, and hypothesis testing. During phase I, a skeleton design was developed by the commission staff members in conjunction with Washington personnel. The design was reviewed and revised at a workshop conference by a panel consisting of education research experts, California elementary and secondary educators, teacher training institution representatives, parents, and a representative from the State board of education. The design was turned into a proposal for phase II—the pilot year—and was funded.

Phase II, which began in April 1973, and will be completed in November 1974, has two purposes: (1) to develop the procedures for measuring teacher performance and student growth; and (2) to generate from data on these two classes of factors, hypotheses about their relationships. This phase focuses on 97 experienced teachers and their students, and is being conducted by educational testing service for the commission.

Phase III is scheduled to begin in April 1974, and is designed to analyze the results of phase II, develop a theoretical base for a set of hypotheses, and establish solid empirical relationships between teacher variables and pupil achievement by collecting data from approximately 200 experienced and beginning teachers' classrooms.

The California study is the first statewide project in this country which is attempting to systematically determine teacher behavior variables which affect student achievement prior to establishing a licensing procedure. The information will be utilized by other States, by teacher training institutions in revising their programs. The results will also help to formulate national policy on performance-based evaluation and competency certification.

### LOCAL PROBLEM SOLVING

The first activity initiated by NIE's problem-solving program is designed to identify existing programs which are proving successful in sustaining a process of continuous improvement within an urban school (or small cluster of schools). Types of programs that might be funded include organizational changes within the school such as new governance systems, staffing and scheduling patterns, or innovative structural arrangements that facilitate the use of parent advisories or communitywide planning groups; other possibilities are programs based outside the school such as teacher centers, university extension programs, or information and resource services. Regardless of the type of program, their importance lies in their ability to foster the teacher's or school administrator's role as an innovator and initiator of change.

Numerous research studies have indicated that schools serving children from lower-class families tend to have lower morale and performance among teachers and principals than schools serving a middle-class clientele. Dropout rates and vandalism are higher in cities than in suburban areas. Nonetheless, there are a number of programs currently operating in urban school districts that have been successful in developing ways to improve those schools.

NIE's role is to identify the most promising of these programs; to provide them with modest financial support to further develop or extend their strategy; and to document and analyze these strategies so that people in other communities can profit from the experiences of these programs. Most prior program evaluations have been too long, too technical, or too jargon-laden to be immediately useful to teachers or administrators. The major emphasis of NIE's documentation/analysis activities will be to collect the types of information which will be most useful to other school personnel, and present it—in combination with a variety of technical assistance strategies—in a useful and accessible format to other urban schools which are facing similar problems.

Program announcements were distributed in early March to school superintendents, chief State school officers, NEA and AFT affiliates, community organizations, and key individuals in the largest 50 cities in the United States (as well as San Juan, Puerto Rico). The announcements invited proposals to extend, refocus or add new components to promising organizational arrangements in urban schools. One hundred and six proposals were received, of which 6 to 10 will be selected for funding in 1974.

School reorganization.—The multiunit school and efforts to promote improved learning by changing functional relationships within schools.

The multiunit school is a management technique. It restructures the typical elementary school so that teachers work as teams focused on the individual progress of children in the school. Decisionmaking about the instructional program needed by a student is shared between several teachers, the school principal and the student. The staff is encouraged to look experimentally at alternative ways in which learning can be improved; research becomes a part of the total instructional process. Evaluation data suggest that reorganization does occur in the multiunit school, new techniques are tried and staff morale is higher than it is in typical elementary schools. The multiunit school format does result in the adoption of curriculum innovations which, in turn, improve student learning in such areas as reading, mathematics and social science. The innovation is spreading; it is now in about 1,000 schools scattered across the country. Few schools drop the plan once adopted and major agencies such as State departments of education support its implementation. Costs of the multiunit school are about the same as traditional costs. Implementation costs are lower than for most federally sponsored innovations.

The multiunit school is an example of a nonproduct that has gained acceptance in schools. It is evidence that everything need not be neatly packaged and sold in order for schools to change and adopt new ways. It is based upon the premise that local school people can solve their own problems and improve educational opportunity if they are placed in functional relationships that encourage exploration and growth.

The multiunit school is a logical stepping stone in a long line of efforts to improve schools through research and development. At the turn of the century and well up into the 1950's and 60's an effort was made to operate experimental schools which would promote the development, evaluation, and dissemination of improved practices. These schools were also used as sites for training student teachers and were almost always attached to universities. Partly as a result of their location, they tended to attract children of average and above average abilities—drawn from middle and upper social classes. As Klausmeier has noted, "this combination of teacher-education function and a typical student population impaired, and at times completely submerged, the research and development functions of most laboratory schools." (1966)

Partially as an alternative to these laboratory schools, many large school districts established offices of educational research. They were, as were the laboratory schools, intended to identify needs, create alternatives, measure effectiveness, and promote improved educational practice. At best, most performed a record keeping function. For a variety of reasons they seem to fail at the task of promoting innovation. As Mosher indicated in 1968, school research offices "are incorporated either into the 'maintenance subsystem' of school district organization, * * * or into the 'managerial subsystem' which concentrates on the tasks of organizational compromise, control, and survival * * *; however, it is clear that such offices have lacked the ability to change school system values, to influence school environments, or to mobilize needed resources."

With the opportunity offered by title IV of the Elementary and Secondary Education Act for sustained research and development on the question of how to encourage improved instruction through research and development, the Wisconsin Research and Development Center for Cognitive Learning, of the University of Wisconsin, has developed a new model of how local schools can help themselves improve student learning. They started by examining a variety of facts about how the schools are structured. For example, they examined such status quo practices as age grading and self-contained classrooms. In general their conclusion was that these arrangements tended to inhibit the use of instructional programs that focused on the needs of an individual child. For example, it is increasingly difficult for a single teacher to be an expert in every subject. They believed it was important to provide an atmosphere in which the teacher could use his or her strengths for particular subjects and skills. It was also apparent that the school needed to develop new ways to respond to the different learning styles of children. Research and theory was beginning to suggest that some children seem to work best with tutors; others seemed happy with computers, films, et cetera. The ways in which a school is organized had to be changed if these alternative learning styles were to be accommodated.

In defining a new model for organization, the staff drew heavily from theory and research from the area of management. They looked at alternative patterns of organizing people and work assignments. The concept of differentiated staffing, based upon the reassignment of tasks according to distinctions among types of work to be performed made sense and was chosen; it seemed, for example, to be impractical to have a teacher spend a great deal of time grading papers when paraprofessional or instructional clerks could do the same job. Team teaching was also chosen as part of the model since it allowed teachers to use their areas of expertise to best advantage and allowed for more individual attention to students.

The primary component of the multiunit school is the "research and instruction unit." The idea is to group the staff and functions within a school to allow personnel to focus on both instruction and research; in this case, of course, the word "reasearch" was taken broadly to reflect a general set of processes associated with the identification, trial, and use of innovations that would improve instruction. In Janesville, Wisconsin, the first, experimental research and instruction unit in a single elementary school consisted of the principal (part-time), a learning specialist (part-time), two teachcers, a teaching intern, an instructional secretary, and about 150 students. Their first effort was to experiment with various approaches to teaching spelling: three alternative methods were selected, evaluation procedures established, and the entire sixth grade population as randomly placed in the three groups with the teachers rotating instruction. Studies in the effectiveness of alternative approaches to spelling—or any other subject, for that matter—had been done over and over; but, seldom had the teachers and staff themselves been involved in a way that helped them not only understand the alternatives but play a role in making the decision about which method produced the best results and should be adopted. The enthusiasm these teachers exhibited when they were involved was infectious and Janesville has now become one of the best examples of how the multiunit school has influenced the teaching in a single district. The key to success, of course, was tied to the fact that research and instruction were combined as an integral process.

The research and instruction unit is the core of the multiunit school; it is by no means the only element. Within a single building several research and instruction units are usually found; these units are represented on an instructional improvement committee that oversees the operation of the entire building. The committee is composed of the leaders of each of the research and instruction units and the principal. At the district level the instructional improvement committees are represented as a systemwide policy committee that includes staff from the central office, principals, representatives of teachers and unit leaders.

The evaluation of the success of the multiunit school in fostering innovation and improved instruction through organizational rearrangements is uniformly positive. Literally dozens of evaluations have been conducted, both by the Wisconsin Center, as well as by other, reputable agencies such as the Center for the Advanced Study of Education Administration at the University of Oregon, the Kettering Foundation and a number of independent researchers. For example, in 1968–69, Pellegrin (reported in Klausmeier, 1969) did an extensive case study comparison of several multiunit schools and nonmultiunit schools. The following statements are paraphrased from his work:

> Roles of staff members do shift significantly away from patterns of typical nonmultiunit schools: teachers in multiunit schools are more involved with duties tied to the achievement of specific student outcomes than teachers in nonmultiunit (control) schools.
>
> Teachers participate in the planning and management of instruction more than they do in nonmultiunit schools: a far larger portion of the tasks of the

> multiunit teacher than the control school teacher consist of planning and supervision requiring coordination with other personnel.
>
> New patterns of working with students emerge: some teachers devote most of their time to working with individual pupils while others focus on group instruction.

In 1973 Walter examined 20 multiunit and 18 nonmultiunit schools. He found that multiunit schools were significantly more adaptive than nonmultiunit schools. Adaptiveness was defined in terms of the extent to which the school adopted innovations that facilitated individualized instruction (allowing students to set their own objectives, use of team teaching so that individual students could receive attention, et cetera).

In short, the multiunit school achieves its operational objectives. It moves the primitive division of labor and differentiation of functions among professional staff that exists in most elementary schools to a much more flexible, functionally oriented scheme that allows for the individual needs of students rather than treating them all the same just because they happen to be the same chronological age.

But what about student learning? The real plus for the multiunit school is that it does foster innovation and research-based trial of new practices which, in turn, lead to improved learning. These are the benefits of the multiunit school that have, as yet, received insufficient attention. Lost in most of the publicity about the multiunit school over the past years is the fact that through the work of the Wisconsin Center literally hunderds of experiments and research studies have been done in a coordinated fashion. Formal publications of the center now number over 300. Not only is the amount of research in individual schools important (in most elementary schools there is no research effort whatsoever), but through the coordinating effort of the center, the studies have progressively lead to new programs that show solid evidence of improved student achievement.

Take the area of reading, for example; in Janesville, Wis. where there has now been enough time for the effects of the multiunit school to become visible, the mean percentile scores on the metropolitan achievement tests were compared for two multiunit and two nonmultiunit schools. In only one subject area at one grade level did the nonmultiunit schools score higher. In reading, math, science, and social studies the multiunit children measured from 1 to 11 percentile points higher than their counterparts in the nonmultiunit schools. As of this year, all Janesville schools are now multiunit schools. In 1972 Cedarburg, Wis. school system used achievement tests and attitude surveys to evaluate three schools that had adopted the multiunit organizaion in 1967–70. Comparisons were made to baseline data gathered in 1966. Iowa test of basic skills scores indicated that vocabulary performance increased from 3.89 to 4.18, math performance from 3.90 to 4.23, and language performance from 3.89 to 4.40. A rise of one grade equivalency was found for each skill area in each grade. (The data reported was taken from reports to schools boards in both districts.) Thus, adopting school organizational formats such as the multiunit schools encourages research and instruction that does seem to make a difference.

The multiunit school also seems to be somewhat less costly. In Janesville, for example, the personnel costs for nonmultiunit schools was $16 higher per pupil than it was in multiunit schools. The lower cost was most directly attributable to the fact that fewer substitutes had to be hired in school organizational structures where team teaching had been adopted. Costs for materials and other items remained the same. In a study of 39 schools Evers (1973) reported that with exception of increases in the personnel expenditures for paraprofessionals there were not major increases in other costs associated with school operations. (Inservice materials and expenditures for workshops went up by an average of $750.) This relatively low rate of increase seems unusual since experience with innovative efforts such as those associated with title III and title I projects has been that innovation usually results in substantial increases in cost.

The impact of the multiunit schools, as measured by the spread of the innovation, is also worth noting. If one keeps in mind that reorganization of staff and redelegation of authority is one of the more difficult innovations to achieve (Pincus, 1972), the number of schools switching to the multiunit pattern of organization has been phenomenal. In 1972–73 it was estimated that about 1,000 multiunit schools existed across the country. The primary focus of course, was in Wisconsin where about 5 percent of the schools had been converted to the multiunit format. Nationally, given the current areas in which implementation efforts are now targeted. Turnbull (1974) has estimated that approximately 2 percent of the market has been reached. Though these percentages are still small, Klausmeier (1971) reports that the number of research and instruction units (the core instructional unit of the multiunit school) have consistently doubled each year since the start of the effort. Additional testimony to the value that local school people attach to the multiunit school is the fact that very few (some estimates are as low as 5 to 10) ever drop the innovation once they start it and those that do, frequently revert to the innovation 1 or 2 years after discontinuance (Klausmeier, 1971). Other agencies have also begun to support the adoption of the multiunit model. The Department of Public Instruction in Wisconsin has officially selected the multiunit school as an innovation that offers promise for facilitating learning and has assumed responsibility for demonstration, installation, and maintenance of the multiunit school. Similar commitments have been obtained from other State departments of education. The Institute for Development of Educational Activities, an affiliate of the Kettering Foundation, has also started a broadscale installation-maintenance effort.

Throughout their effort to increase the utilization of the multiunit concept, the Wisconsin center has kept accurate records of the costs associated with marketing. Over the past several years the costs of creating awareness and providing implementation support to adopting schools has run somewhere between $1,000-$2,000 per school. Considering that all other costs are borne by the local school, the cost of $1,000 or $2,000 seems relatively low when compared with other change efforts sponsored by the government over the past 10 years. In truth, the "seed money" concept so frequently advocated for the government's role in changing education seems to have worked in this situation.

Research and development has been a key element in the development of the multiunit school. Such innovations as team teaching and differentiated staffing have been tried elsewhere and failed to catch on. It has taken the consistent improvement of the multiunit model, based on research and field experience to develop the strategies that are part of the implementation process behind the multiunit school. Without this research and development effort, it is doubtful that ideas behind the multiunit school would be as widely used today as they are. Research and development has also suggested new avenues by which the model can be improved. The staff at Wisconsin R. & D. are now developing curriculum units based upon the work conducted in multiunit schools. The new program, combining the multiunit school format with the new curriculum materials is called individually guided education because of its focus on individualized instruction. When it is completed it will mark one of the few times in education that practicing school users have played a substantial role in supporting design and development of a major new educational innovation.

## THE CAREER GUIDANCE AND COUNSELING PROJECT FOR HOME-BASED ADULTS

The Commission on Non-Traditional Study (1973) found that many adults are returning to school, not for recreational purposes, but for an education that will help them get better jobs. Forty-three percent of 80 million would-be learners named a vocational subject as their first choice of study. The Commission also discovered that the major barriers preventing these adults from successfully returning to school include a lack of information and guidance. Those who are at home need a number of supportive services to help them succeed in work or at school. Some will need to review how to take tests, how to prepare for an interview or how to fill out job applications. Others will need counseling to help them with fears that they are too old or too tired to try something new. Still others will need information about the educational and occupational opportunities in their community. Most will not be able to afford private counseling.

The Educational Development Corp. project named the Career Guidance and Counseling Project for Home Based Adults, in Providence, R.I., is one solution to the problem of how to provide readily available career counseling to a home based population, most of whom are women. The project gives free career counseling and guidance which is provided by paraprofessional counselors over the telephone. As clients explore their interests and skills, they also learn the requirements of various jobs. They obtain a better understanding of the fit between their needs and abilities and the demands of various jobs and educational programs. Additionally, they learn about the educational and occupational opportunities in the Providence area.

The NIE has learned the following from this project:

1. There is a demand for such counseling services. Over 2,815 home based residents of Providence were served by the counselors during the first 18 months of operation.
2. Paraprofessional counselors were able to provide adequate services; clients were pleased with the quality of services they received.
3. The services that clients found most helpful were the simple transmission of information and the personal emotional support. Because the provision of information rather than indepth therapy was desired, paraprofessional counselors were able to handle the job. Furthermore, just a little help went a long way in assisting the home based population in making reasonable career and educational choices.
4. Indeed, the service did help; clients reported that they experienced little difficulty in reentering educational or job training programs. A full 82 percent of those who said they would enroll in an educational or training institution, did so.

The many people helped by this service include a 30-year-old mother of two children. She had had 2 years of college, but she wanted more education in order to become a nurse. With her children in school, she felt she could go back to school, but she had, "no idea where to begin or how to get started." The counseling service provided her with information about courses at various schools. The service helped her find the kind of part-time nursing program she desired, told her about scholarships and about what the school would be like. Mrs. S. praised the counseling service, and added that, "if someone wanted to do something and wasn't sure where to begin, I would recommend them to CCS."

Although most of the home based population, toward which the services are directed, are women, men also see the advertisements and some call for assistance. The service is prepared to handle their needs. A 28-year-old married father of two children called because a recent back injury had ended his work as a foreman, and he needed help in choosing a new career. He was interested in several fields in which he had no prior training, and he did not know what opportunities there were in any of these fields. The counseling service helped him explore his interests and find a technical institute that matched his needs. Neither the Department of Employment Security nor the Veterans' Administration had been able to assist him as well as the Career Counseling Service.

The project is also preparing a number of "how to" manuals that will be of interest to the many practitioners who provide career guidance and counseling. Over the next few months we shall obtain more detailed information on how the program is helping clients and ways to improve it. For example, we are concerned with the cost of the service. At present, it costs about $20–$22 to counsel a home-based client. It may be possible to maintain the same high level of service yet reduce the cost.

We are also ascertaining what proportion of those utilizing the services have been home based. Those who are dissatisfied with their current careers are just one other group of people who might profit from this kind of counseling service. Of course, the project provides only certain types of services, and we shall need to examine what other types of assistance people need in order to make good career decisions.

Mr. FLOOD. Mr. Michel.

Mr. MICHEL. Thank you, Mr. Chairman.

### BASIC ROLE OF AGENCY

Dr. Glennan, what specific research and development activities will help the schools and the students as a result of what you are doing?

Let me put it this way: Are you more interested, as an agency, in what you can do for the schools per se or for the students?

Mr. GLENNAN. I think our interest has to be in terms of the students. There is no question that the whole reason for the existence of schools is to improve the well-being and the capacities of students.

Mr. MICHEL. Do you in any way get involved in some day determining the best forms of construction or design for schools? Is that beyond your scope of research?

Mr. GLENNAN. I think it is within our scope of work. It hasn't seemed in any way to be of a priority concern to us at the present time.

Mr. MICHEL. There is nobody on that now?

Mr. GLENNAN. There is nothing I know of we are doing on that. We have had some requests we have not followed up. I do think we are doing a number of things for schools and things that would be helpful to kids. I think that one of the things we are trying to do—I guess what I am going to say really comes down to helping schools do a better job for kids.

One of the most important programs we have underway is something we call our local problem solving program which is an attempt in this first year to help teachers and administrators find better solutions to the problems they face within their schools, better ways to teach kids and better programs to give to kids.

What we feel we are doing—let me back up just a minute. When we started that program—and I think it goes back to that dissemination concern I tried to make originally—we looked at why people were not using our research results. Why wasn't there an interest in what we were doing. Part of the reason, we thought, was because the people at the local level never had the opportunity or the interest to take the time to look at those results or to work them out or adapt them to their own needs. We became so concerned that we extended the definition of what we mean by the educational R. & D. system to include the local schools. After all when you are in an industrial plant you think of the production unit as being the final stage of R. & D. They are the ones that put that process into place.

Our national educational research and development effort had tended to leave schools out, and we think that is wrong. What we tried to do is create a program that would help teachers, or begin to learn how to help teachers help themselves to solve problems. We have program announcement proposals due in today to try to find places where this has occurred already in exemplary fashion. We would like to look at those and understand how successful they have been and what it is that has made them successful and create at the time we do the evaluation the ability to provide technical assistance to other schools so that they may do the same thing: learn from our own experiences. As we learn something from those experiences we may go on to try to create new kinds of capacities.

In the year we are testifying to here, we will be focusing on problems of administrative staff, planning, research, and development within schools so that they may go about solving their problems better than they are now.

### EVALUATION OF THE TEACHER CORPS

Mr. MICHEL. At one time the establishment of the Teacher Corps was a pretty controversial item here in the Congress. That has been in operation quite some time now. Would you, as a research shop, get into the business of evaluating what the Teachers Corp really was all about, is it good or is it bad, what kind of changes do we make?

Mr. **Glennan**. The first answer to that is we would not. As a matter of policy within HEW, the National Institute of Education is not evaluating the Office of Education programs. That is the responsibility of John Evans and his office who testified this morning. They would in fact get into that kind of activity.

That is only the first part of the answer——

Mr. **Michel**. Does that mean that rules out the possibility of your shop evaluating any kind of educational program in the country?

Mr. **Glennan**. I think it rules out our evaluating a national educational program as a national program, but it does not at all rule out our attempting to learn from the experiences within those programs. That was the point I wanted to go on to because we have been talking to Bill Smith, who heads the Teachers Corps program, about how we might cooperate in our teacher activities with the Teachers Corps. They provide an opportunity for us to try out some of the materials that have been developed over the past year, to experiment with them in a very real situation, a very important situation.

They, on the other hand, are looking for materials they can use in their program. So there is a place for cooperation between us. That, I think, we will try to move forward on. We would do evaluation in that context, evaluation of alternative methods that are used for training.

### EVALUATION OF TEACHING MATERIALS

Mr. **Michel**. Does that put you in the business of evaluating teaching materials as such?

Mr. **Glennan**. Yes, I think we can get into that business.

Mr. **Michel**. Is that a top-priority or low-priority item?

Mr. **Glennan**. It is, I think, a lower priority item for the moment than trying to find out what characteristics teachers ought to have to be effective in schools. In other words, you can't really evaluate teacher training materials unless you understand something about what you want those teachers to be able to do. We think the research on that is pretty murky at the present time. One of our research priorities has been to try to clarify that situation, and I think we are bringing some ot the best people in the country to bear upon it.

### EMPHASIS ON ELEMENTARY AND SECONDARY

Mr. **Michel**. You spoke of the priority of helping kids much more so than schools as such. Pre-school children, grade school children, secondary, higher education?

Mr. **Glennan**. The bulk of our activities are elementary and secondary education. We have a small amount of activities, in the order of $3 million, for preschool activities, mostly continuing programs that we inherited. We have not as yet felt that we ought to delve deeply into preschool areas.

### NEED FOR BASIC EDUCATIONAL SKILLS

Mr. **Michel**. I was at home at Easter recess and had occasion at Easter dinner to visit with my nephew who has a master's degree and is teaching English at Southern Illinois University. He brought along some of the homework he had to work on, grading papers. He said, "Uncle Bob, I think you ought to see what I have to contend with."

I tell you this was a freshman English class, and he showed me papers of the kids writing like fifth and sixth graders, and they are approved as college freshmen. He is in a quandary as to how he grades those papers because neither he nor I would have passed sixth grade English writing papers of that kind, and they are freshmen in college.

How long do we go on permitting that kind of thing? How soon are we going to come to grips with it? Is it 10 years hence when we can expect that every college freshman is going to either be accepted or rejected on the basis of his ability to write a simple paper in understandable English? How long do we have to wait for that? There may very well have been a void in the past and one for which we have to maybe apologize and to make amends for.

Mr. GLENNAN. I wish I could give you a good answer to that. I really don't know. I think that we can say a couple of things about those voids and also say we hope to proceed to deal with them.

One of the voids I think has been, and it is really unfair to call it a void--the emphasis over the past decade in reading research and in communications research. Linguistic communications has largely focused, not entirely but predominantly, on the very early years of school. We think there is need to have a shift now, relatively speaking, toward more work on the later grades. We are particularly interested in the reading area from the fourth to eighth grade level where we think comprehension must be built and where we don't think there is as much research, and experts don't, as needs to be done. In addition, there is another whole set of activities which are more remedial in character. I mentioned the experience-based programs Dr. Rieder is supporting.

One of the intents there, of course, is to use the motivation occasioned by that program to cause people to want to improve their skills where they may have previously felt they were totally irrelevant and had no idea why they should be able to write the kind of paper you were talking about.

If you in fact are working in a job in a laboratory, as in one of these experience-based programs, you have to write a lab report. I do think if they have to write a lab report and that is the basis upon which they are going to get their grades, they are likely to be motivated to try to learn something about it.

We think that there are a lot of problems we have to deal with. One is motivation and one is making the school that leads up to going to Southern Illinois a more interesting, relevant, and exciting experience which might encourage students to excel. So there is some activity on our part, both in the career education program and also in our reading program.

## RIGHT TO READ AND NIE'S READING RESEARCH

Mr. MICHEL. How do your activities in reading relate to the Office of Education's right to read program?

Mr. GLENNAN. The Office of Education's right to read program is primarily a demonstration program and a program of communication among State coordinators that can help to get the word out as to what are the best current practices. Our research program is intended to look forward to improving the best current practices.

We have worked very closely with the right to read program to understand where they think they need further improvement, where their experiences in real situations suggest we lack adequate information, and where we may have access to information to help them immediately improve their activities.

Mr. MICHEL. Are you saying that we don't yet know how to teach children to read?

Mr. GLENNAN. I think that is much too strong a statement. We certainly know how to teach—let's put it this way: 80 percent of our children learn to read. Obviously we know something about it. I think our problem is that we don't know how to teach some children how to do certain parts of the reading task. We have done very well with the decoding skills, with the sounding out of letters and words, and there are very few children who can't do that at the end of the third grade.

Mr. MICHEL. I have been hearing lately that we have probably been observing more progress in chimpanzees in that regard than in human beings.

Mr. GLENNAN. We do think with respect to certain classes of children we don't know how to teach them to read, and we don't know how to teach teachers to teach them to read, or we may not have the materials or the diagnostic materials to help them to teach them to read.

### FUTURE OUTLOOK FOR IMPROVING TEACHING

Mr. MICHEL. If per chance you and I were around here 10 years from now would we still be asking this question and still trying to find out ways of teaching? If there are 20 percent that don't know today, I am looking down the road someplace hoping what I am doing here is the right thing and voting the right sums of money. Are we doing more than just funding jobs down in your shop? Are we going to get some good? What is your goal?

Mr. GLENNAN. If we are talking about the same problems 10 years from now in exactly the same way, we ought not to be doing what we are doing.

We have not set a goal because I think, as I emphasized in my statement early on, the form of education or improvement of education is a partnership in which the largest role obviously is with teachers and administrators across this country. We would hope to facilitate them carrying that out, but we think it is perhaps a little presumptuous of us as a research operation to say we want to reduce the number of people who cannot fill out medicaid forms from 18 million, which is the figure we cite here, to 9 million in 10 years. I think that really is not a very fruitful way for us to talk about what we are doing.

We would aspire, I think, to say that within 5 years we have created or helped to support the creation of programs, which have demonstrated a capacity to train kids in an experimental and fairly realistic setting how to read in better ways.

## NEW VERSUS CONTINUING PROJECTS

Mr. MICHEL. How much of the $130 million that you are testifying to today reflects past obligations and how much is for new activities?

Mr. GLENNAN. Of the $130 million, and assuming we receive the supplemental which is what we are testifying to, $80 million represents the activities carried on with respect to past obligations plus our program direction administration costs. What we call our commitment base. Those activities are not all, I should emphasize, exact extensions of past activities. If there is an evaluation that ought to be carried on as a part of a previously started activity, an inherited activity, that evaluation would be shown in that commitment base as well. We have tried to keep what is relevant to our past activities separate from what the future activities would be.

## EDUCATION R. & D.

Mr. MICHEL. You said on page 3 that more than 75 percent of the elementary science curricula used in the country today results from a 14-year research and developmental process undertaken by the National Science Foundation. I am asking if that goes back to the beginning or the launching of Sputnik?

Mr. GLENNAN. That is right, or a little bit before that. It goes back to that heightened concern in the country.

Mr. MICHEL. The reason I mentioned it, I am reminded of some of the statements being made by Members on the floor of the House and my having to make some kind of comment about how wonderful it would be, having recognized what we just observed happening in the last few days, to turn the spigot and to produce tomorrow some of those people we have in short supply. Here we are, although I think we probably met a good part of that gap—maybe overly so in some respect—but it took a long time to turn the educational community around to helping us to produce or fill the gap.

Mr. GLENNAN. If I could take a moment to comment on that with respect to the institutions we created to help produce that change, the laboratories and research and development centers were established just maybe 4 or 5 years after the science programs had started, and people had seen something about a development process for programs in science. So we attempted to create a set of organizations to do development in other areas of education, areas such as reading and math and art and spelling and so forth.

Those organizations got started and they got things out and tested them, and they have learned a lot. Yet they were asked to produce within 2 or 3 years, or sometimes less, and many of them are now gone because they were viewed as not producing. But it is my view we have just begun to see the fruits of that investment of 10 years ago, just begun to see several institutions that really have learned a great deal from their experiences and are beginning to really understand how to work with schools and so forth.

I am impressed, for example, that in one of our research or development institutions they now have the capacity to deal with 150,000 youngsters in test classrooms, with about, I suppose, 5,000 teachers and in probably 30 to 40 school districts. They are able to manage that data, they are able to use the information that comes back from that to modify the materials they have developed. That is a technology, if you will, that takes time to develop. And yet we have tried to declare these things failures over and over again without giving it a chance to test out. They still have to be proven. We still have to see results.

### COUNCIL POLICY ON OPEN MEETINGS

Mr. OBEY. Dr. Glennan, as I understand it the National Council on Educational Research was established to review the policies and conduct of NIE. On January 30 it passed a resolution which said "The Council believes that it is important for the public to know and understand the Council's policies and the reasons for these policies."

I agree with that. It seems to me there is nothing more important for instance to NIE than its budget. My question to you would be, in light of the need for public support for NIE and in light of the Council's own statement, do you know why that Council held a meeting on April 1 in which the NIE budget was discussed and held it in a closed meeting?

Mr. GLENNAN. Yes, sir. The reason that the budgets have been discussed in closed meetings was a feeling that until executive decisions are made——

Mr. OBEY. That budget had already been made public hadn't it?

Mr. GLENNAN. That discussion on the budget, if it had been a discussion in terms of an already existing budget, I think it would have been in public meeting, sir. But we were trying to determine at that time how to react to the probabilities with respect to the supplemental, and it meant discussing or dissecting a budget that did not already exist in essence.

Mr. OBEY. The point is the budget had been submitted. You had hearings on it already up here, hadn't you?

Mr. GLENNAN. No. The budget we are talking about is the one we are talking about here today.

Mr. OBEY. But the President's budget was submitted long before that?

Mr. GLENNAN. That is correct. I think it is a touchy situation. I understand the point that you are trying to make. It is those discussions, and Dr. LeMaistre might like to comment on this, that tend to raise some issues, I think, including very candid criticism of my activities and of the staff's activities when we are trying to understand where we have the best kind of work going on.

Mr. OBEY. Since when does that fall under the exemption of the National Advisory Council and the Access to Information Act?

Mr. GLENNAN. We believe when the Council is acting in this regard it is acting as a policymaking body as opposed to an advisory body, and therefore the provisions of that act don't apply. I will be happy to provide for the record something more thorough on that.

[The information follows:]

### POLICIES AND PRACTICES OF THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH WITH REGARD TO PUBLIC ATTENDANCE ON ITS MEETINGS

On January 30, 1973, the Council unanimously adopted a resolution providing for open Council meetings based on the principle that it is important for the public to know and understand the Council's policies and the reasons for these policies.

In accordance with provisions of the Freedom of Information Act, the Council has decided that matters involving information and documents which may be held confidential under the act will be discussed in sessions closed to the public. Such matters include budget alternatives and recommendations which are not part of the public record. The Council believes that such discussions are not only legally permitted but are necessary to keep the Council involved in the process of moving forward in the planning and development of the Institute.

On April 1, the Council discussed alternative budgets prepared on the basis of the planning assumption that the Congress might not act favorably on the NIE supplemental appropriation request of $25 million for fiscal year 1974. Because these budget alternatives were not part of the President's budget and the disposition of the supplemental request not certain, and because such discussions were of a planning nature based upon staff recommendations, the Council discussion of that agenda item was closed to the public. Other items on that agenda, including a frank discussion of NIE relations with State education agencies, were held in open session.

Please note that the Council's policy provides for public notice of scheduled meetings and their agendas and for release to the public of minutes of Council meetings and resolutions of the Council. In fact, members of the public are requesting placement on our mailing list, are receiving these materials, and attending the meetings. The minutes provide a full report of the Council's open discussion, not simply a summary of its actions. The January 30-31 minutes record the major points in the Council's discussion of its policy on open meetings.

The Council is also scheduling approximately half of its meetings outside of Washington, D.C. For example, the April 1 meeting was held in Charleston, W. Va., and the May 28 meeting will be held in Boston. Visits to schools and educational R. & D. organizations are now also part of the Council's schedule. For example, in October, the Council will be meeting in Madison, Wis., and will be visiting the Wisconsin Research and Development Center for Cognitive Learning. It is our practice to invite Members of Congress from these areas and their staffs to attend these meetings and site visits.

The Institute and the Council are making great efforts—through open meetings, conferences, circulation of plans, and personal visits—to gain the benefit of public advice and scrutiny in its planning and policymaking processes. A copy of Council Resolution (NCER 013074-8) is attached.

## RESOLUTION OF THE NATIONAL COUNCIL ON EDUCATIONAL RESEARCH—NATURE AND TYPE OF MEETINGS

### I. INTRODUCTION

The National Institute of Education (NIE) is continuing to develop strategies and practices for public understanding of, and involvement in, the planning, operation, and review of NIE policies and activities. It is recognized that there are both general public interests and special concern of group and individuals which must be taken into account.

Although the burden for developing and maintaining such interaction lies with the Director and staff of the Institute, Council members believe that both collectively and individually they can support these efforts and improve their own work by providing for public attendance and participation in sessions of official Council meetings.

The Council believes that it is important for the public to know and understand the Council's policies and the reasons for these policies.

### II. COUNCIL ACTION

It is, therefore, resolved that the general policy of the National Council on Educational Research (NCER) is to conduct open meetings and to allow the public to attend those meetings.

To enhance public awareness of its activities, the Council will:

Give prior public notice of Council meeting dates, places, and tentative agendas.

Release to the public the approved minutes of meetings; all Council resolutions; and press releases, policy papers, and reports when appropriate.

Expect that NIE staff members will solicit public opinion as part of the normal program planning process and reflect this opinion in material presented to the Council.

Persons who wish to submit written statements to the Council may do so at any time. Members of the public who wish to address the Council in person must send a copy of their proposed statement to the Chairman of the Council and the Council's Executive Secretary at least 10 days in advance of the meeting at which they wish to speak. The Chairman will determine whether a presentation is appropriate or whether the written statement will suffice. All written statements will be acknowledged.

## EXCEPTIONS

There are only two situations in which, for compelling reasons, all of a meeting or portions thereof may not be open to the public:

1. The Council shall, as is common to all decisionmaking and operative bodies, hold executive sessions. One such session shall be held at each Council meeting. Only appointed and ex-officio members of the Council shall be present at executive sessions.

2. The Council may hold closed sessions in order to discuss, or have presented to it, documents, materials, information, opinions, or recommendations that would be exempt from disclosure under the Freedom of Information Act. This might include information whose public disclosure would constitute an unwarranted invasion of the rights of privacy of an individual or a breach of the necessary confidentiality of certain documents or materials. Attendance at closed sessions shall be limited to Council members, invited members of the NIE staff, and other persons invited by the Council. Normally, the schedule for closed sessions and the items to be discussed during those sessions will be generally indicated on publicly available agendas.

Some examples of items that might warrant a closed session are:

Examination of NIE budgets that are still confidential within the executive branch of the Federal Government.

Any discussion of an NIE program which by its nature must refer to any confidential grant, contract, or budget information, or to a particular person, if the disclosure of particular information would be an unwarranted invasion of privacy, or if the premature disclosure of such information would hamper NIE operations.

Consideration of internal NIE memoranda or other documents that would be exempt from disclosure under the Freedom of Information Act.

Any resolutions passed or actions taken by the Council at either an executive or a closed session shall be released to the public in the same manner as done for open meetings.

This resolution is effective January 31, 1974.

PATRICK E. HAGGERTY, *Chairman.*

Mr. OBEY. I would just suggest I suspect you are probably technically correct, but my office for instance last fall ran a check of the Federal Register over a 2-week period and found that 41 or 43 percent of the advisory committees which met at that time were meeting in violation of the law in one way or another.

It just seems to me that in this case in the long run I don't think you do much in the way of generating public support for your operation or your budget if you hold a discussion of that budget announced ahead of time behind closed doors.

Mr. GLENNAN. We announced ahead of time it was going to be behind closed doors as well.

Mr. OBEY. That is right. So did everybody else.

Mr. GLENNAN. The Council met entirely in closed session for its first 6 months, and we recognized that that, for exactly the reasons you are talking about, caused the lack of public understanding of what we were doing and was having potentially deleterious effects although it may have been quite legal.

We have tried to increasingly move particularly the discussions of programs that don't deal with the budget in detail and don't abrogate the administrative confidence I think we need to have—we tried to move those into the public domain so that discussions, let's say, of the voucher planning activities, a very controversial activity, can take place in public so people can understand the concerns the Council is raising. And of course we invite ahead of time opportunities for people to make statements in those meetings although we do not treat them as hearings.

Dr. LeMaistre, would you like to add to that?

Dr. **LeMaistre.** I want to assure you, Mr. Obey, this has been a much discussed point by the Council, at times, when policy concerns have been right at the heart. And I was not present at the meeting you referred to, but it is my impression this dealt with a question as to how the staff would react to varying amounts of money being provided in terms of the policy of applying the five major priority areas. I assume they wanted to talk about personnel and a number of other things.

I think, as you say, in their role as a policymaking group that probably technically could be defended. But prior to that, Mr. Obey, there was discussion by the entire Council of this matter and a unanimous vote they would hold open sessions. I can't remember the date of that but it was about January, and that may have been the meeting you referred to.

I would speak for the Council only to the extent that I think they have expressed themselves in terms of wishing to have open sessions. This particular session that you refer to, I can only recall that it did deal with a possible change in the policies regarding these five previously adopted priority areas in relation to funding. Is that correct?

Mr. **Glennan.** Yes.

Mr. **Obey.** I would like to talk to you more about it later. I am pressed for time and I know the committee is. None of these questions that I ask and none of them that I asked in the supplemental represent on my part any attempt to hatchet your operations or anything of the kind.

Mr. **Glennan.** We appreciate that.

### PROCESS OF ALLOCATING RESOURCES

Mr. **Obey.** Let me move on to some other questions. You mentioned the five priority areas you have. I look over the number of proposals which you wanted this committee to approve in the supplemental and they have quite a broad range to them.

I saw a series of articles in Education Daily which indicated that NIE is doing research all over the lot and, moreover, according to Education USA Washington Monitor just a month ago, some of the members of the Council itself seemed to think that NIE was still having difficulty getting at basic problems.

I refer specifically to some criticism by Mr. Hagerty and by Mr. Weaver, president of the University of Wisconsin, and I quote him not because he is from Wisconsin, because we generally disagree.

But do you think that your people have accomplished an adequate degree of focusing to really be productive in the research that you are conducting?

Mr. GLENNAN. Mr. Obey, that has been one of the major concerns that I personally have had. I really share that feeling. With a mandate as broad as the Institute has, it can spread all over the may and do very little of consequence.

I do think that at a time such as we are in, there is a tendency with small activities to try and search for the right places to put major resources. So that to some extent you are finding in our initial activities here, some seed money activity seeking to explore areas which we would subsequently want to come to focus on, and some that we have come to believe should be cut out.

To bring people in immediately on the basis of simply what is in their heads, decide exactly what to do, seems to me to invite the possibility that you make a lot of quite serious mistakes. Much of that activity is of an exploratory sort.

The issue of concentration was specifically one I raised with the Council at the last meeting, an issue of how should we be putting emphasis. You see within these priorities—I think five is a reasonable number, but within them, of course, there are subactivities. For example, in Dr. Rieder's program she has some emphasis on adult, some emphasis on secondary school youth and some emphasis on fundamental studies of the relationship of education and work. And we are very seriously discussing the question with her and with the Council as to whether we ought to pull back for the moment from the adult area. The decision we have taken is that what we are doing in the adult area is in fact exploratory. There are studies dealing with financial issues and studies dealing with counseling of adults which provide us with some understanding of whether we should go there in a big way and should be doing a great deal more.

In other areas we are cutting back. As we have less resources, we are attempting to do the projects that have highest priority rather than continue all existing projects at a reduced level. I think the Council has emphasized that to us and I would hope we would keep that in mind. I really agree with the point you are making.

### NIE'S ALLOCATION FOR HIGHER EDUCATION

Mr. OBEY. Let me pursue that a little further. You mentioned the University of Nebraska item.

Mr. GLENNAN. Yes.

Mr. OBEY. As I understand that is about a $900,000 item.

Mr. GLENNAN. That is right.

Mr. OBEY. I seem to recall that after this subcommittee last year cut the NIE budget quite substantially you indicated one of the reasons—I think you are right—that you thought the committee acted as it did was simply because at a time when there was an increase being requested in this program area you were having cutbacks requested in some other areas which applied much more directly to local levels in the eyes of people at the local level. I think that is correct.

But in light of that fact and in light of the fact we are sitting in a situation now, for instance, where programs for elementary and secondary education in this budget are cut by over $200 million, not salaries and expenses but programs, is something like that Nebraska study for instance really necessary? Should that be one of the higher priority items? Should we be spending that kind of money in higher education or in other contracts in adult education when at least—and I know everybody has his druthers, but my own basic concern is the question of how you get kids to learn at the beginning of their learning experience.

Mr. GLENNAN. I think that the best way to look at that—not the specific problem but that question—is to look at our overall budget distribution. As I indicated about 85 percent of our resources are going into the elementary and secondary level. We do put some resources into the higher education level. That particular one seems to me to be of considerable interest because of an efficiency issue in education.

I suppose that to some extent when a State legislature looks at education it looks at higher education and elementary and secondary together, not directly together, but the two of them probably are a figure they consider of some importance. The fastest growing sector in education is in fact higher education, or has been. It is growing because there has been the extension of the number of students within the higher education area.

And we think that that raises significant efficiency questions—how can you do something less expensively at the higher education level, and you have the opportunity to do it there because in many instances you have been creating new institutions or you still have fledgling institutions which are more amendable to changing their organizational structure. Therefore this represents something that is an exciting possibility.

It was the judgment to go forward with this planning exercise on that kind of a basis.

### RESEARCH IN TEACHER EDUCATION

Mr. OBEY. Let's talk about higher education for a minute. How much are you doing in the area of research to determine how best you can change teacher education? I mentioned the same thing to Dr. Ottina when he was here.

My own feeling is that the biggest problem we have in education is No. 1, we don't pay teachers enough so we don't get the kind of innovative, imaginative, gutsy guys and girls we ought to be getting into the field. Frankly, a third of teachers I see in classrooms, if I were their students they would bore the hell out of me. I just don't know. I am curious as to how much money and how many efforts you have going in the area?

Mr. GLENNAN. I would want to provide that specifically for the record, but it is an important consideration.

[The information follows:]

### PROJECTS ADDRESSED TO THE ISSUE OF EFFECTIVE TEACHING

A crucial issue in improving the quality of education is the attraction, retention, and continuing improvement of effective teachers. NIE is undertaking a number of studies to determine the relative importance of selection criteria, selection procedures, and training programs for attracting the most competent people to teaching. The studies to be initiated in fiscal year 1975 at an estimated cost of $3 million are designed to: Gather information for developing performance criteria to guide administrators in teacher selection, evaluate the fairness and quality of current teacher selection procedures, improve teacher skills in implementing new curricula and in responding to the individual needs of students, improve the procedures currently used in evaluating teaching results.

In addition, seven projects intended to improve the quality of teaching will be continued at R. & D. centers and laboratories, at an estimated cost of $12.9 million. Two examples are first, the comprehensive education program at the Southwest Regional Laboratory which is developing materials and teaching procedures to help elementary schoolchildren learn art, music, spelling, and problem solving at their own pace and interest, second, a beginning teaching evaluation study by the California Commission for Teacher Preparation and Licensing which is trying to identify elementary schoolteacher practices that encourage student learning in English and math. This information will be useful in designing teacher preparation and licensing programs.

Mr. GLENNAN. One of the things, as I mentioned a little earlier, that we are concerned about is a systematic attack on the question of how do we get effective teachers into the schools. You mentioned something that I think is important but which has not often been taken into account in any real way, and that is what does it take to get inherently good people, gutsy people, whatever they may be into the school and keep them there?

To go beyond what you say, you frequently get them in but they leave within 2 years. The issue it seems to me is how much of that is associated with pay, and I am not sure it is necessarily all associated with pay.

Mr. OBEY. I am not either.

Mr. GLENNAN. How much is associated with the way in which people are selected, how much associated with the career ladders that exist or don't exist. After all, under the present structure, there is nowhere to go from teaching except into some administrative areas.

Those are issues which I think are crucial, and which are the subject of a major systematic planning of research activities to help us understand what is the relative importance to getting quality teachers of selection, of training, of the incentives that keep them in a school system.

That doesn't sound very sexy. I am talking about planning, talking about trying to bring a new mode of planning to educational research, something we are trying to borrow from the Cancer Institute as a matter of fact. But it is dealing exactly with the problem you are raising, which I think it a crucial problem.

Mr. OBEY. How much money goes into that, do you know?

Mr. GLENNAN. That planning effort is roughly a $200,000 effort and will lead to, I believe, about $2 million in our fiscal 1975 budget.

In addition to that there is a whole set of activities being carried on in our research and development centers and laboratories that deal with things like the minicourses at the Far West Laboratory which are intended to improve the quality of teaching in classrooms. If I were to hazard a guess for the moment, and I would like to correct it for the record, I would say it is something between $4 and $6 million.

I might emphasize also that the efforts at the Wisconsin laboratory, which I think you are somewhat familiar with, and the multiunit school are designed to create environments within school buildings which make it attractive for teachers to stay because they have the opportunity to innovate and do a kind of operational research and to participate in decisions about what goes on in the classroom. We think that it is a terribly important kind of concern. So that wouldn't be called teacher education. It would have a very important impact upon what kind of people you attract and keep in the system.

### MOUNTAIN PLAINS CAREER EDUCATION PROJECT

Mr. OBEY. Again I noted in the Educational Daily a description of a $4.9 million program. It says some 47 families have completed the rural residential career education program offered by the Mt. Plains Education and Economic Development Program, Inc. Can you tell me a little more about that?

Mr. GLENNAN. I would ask Dr. Rieder if she would describe it. She has been there and it is one of her responsibilities.

Mrs. RIEDER. I have a fact sheet here for the record. I would submit that.

[The information follows:]

### FACT SHEET ON MOUNTAIN PLAINS PROJECT

#### WHAT IS THE MOUNTAIN PLAINS PROGRAM?

Mountain Plain (MP) is a residential program for rural multiproblem families. Its primary mission is the economic rehabilitation of the family through a comprehensive family human development approach. Participants are recruited from six States (Montana, Idaho, South Dakota, North Dakota, Wyoming, and Nebraska) through MP field offices. The facilities can serve 210 families per month. At an estimated 9 months per family, the yearly flow through should be about 280 families. At present, 70 percent of entrant families complete their MP programs, but MP estimates that the final rate will be between 75 and 85 percent completers. A random 80 percent of all eligible applicants recruited by field offices enter Mountain Plains; the others form the control group which receive no treatment.

Services provided at Mountain Plains include: a career development program for the head of household and optionally for the spouse, including career guidance (this portion required for both adults), a family core curriculum designed to provide both head of household and spouse with home management, health, consumer education, parenting, and community relations skills; medical, dental, and optical services; financial support of the family while in the program; child development and care for preschool age youngsters; and placement services.

Completion of the Mountain Plains program is defined as validation in all required program areas by both adults, including the requirement for validation in a job skill for the head of household. Validation is based upon competency as determined by post tests. Both completors and resignees receive placement and relocation support from the field offices.

#### WHAT IS THE PURPOSE OF MOUNTAIN PLAINS?

The project originated in a search for a nonmilitary use of the Strategic Air Command base in Glasgow. Location of an educational program in the Glasgow facility with field offices in the six State region was supported by Congress through the Office of Education as a worthwhile way of developing the educational and economic resources of the region.

The underlying premise of the program is that family oriented career education in a residential setting represents an effective way to improve the employability, standard of living, participation in community involvement, and life satisfaction of the rural disadvantaged.

The research and development component of the program is searching for answers to many questions concerning MP including: "What is the value of a comprehensive career education program for improving the economic and human viability of rural, multiproblem families". The products expected from the program are in various stages of development.

### WHAT ARE WE LEARNING FROM MOUNTAIN PLAINS?

It is too early to say whether or not MP works. At present, we have learned a great deal about the needs and characteristics of the people MP serves, and about the kinds of programs and support services required to help people reach their own objectives for themselves and their families—and about the kinds of problems with which an educational program cannot deal.

Since many effects of MP will not be known until participants return to the labor market and to their regular homes, schools, and communities, the National Institute of Education, in cooperation with MP staff will fund and direct third party evaluation followup studies of completors, resignees, and controls. Data from this study should be available by mid-1976. In addition to evaluation studies conducted by MP staff, the National Institute of Education in fiscal year 1974 will support (a) a national study of the educational needs of the rural poor and (b) a national comparative evalution of MP-like programs. Both studies are expected to assist MP in program development and comparative benefits/costs of MP and other approaches. These studies will expand the survey of educational needs of the rural poor and of services available to meet these needs in the six States region. A report of this study will be available by summer 1974.

Mrs. RIEDER. What aspect of the program most interests you?

Mr. OBEY. What interests me very much is that I see 47 families for $10,000 a family.

Mrs. RIEDER. Let me say we serve something like 500 families and nearly 2,000 individuals. I think some of the things that we are perhaps most proud about—we have reduced the cost significantly. We are now serving families at a rate of a little over $10,000. We are providing basic skills, job skills, health, family skills, a range of things plus tutoring for the children in the family.

Let me mention a couple of things. The heads of households, for example, that have gone through the program are now earning something like $130 more per month after having been through the program. We have about 80 percent that are going into the occupational fields that they received training for. So we are very optimistic about the program and the results to date of that program.

Mr. OBEY. You were going to say something, Doctor.

Mr. GLENNAN. I was going to say this was a program which gives us great concern for more or less the same reason you asked the question. It was a program we inherited from the Office of Education and which had very strong, I think, congressional mandate behind it.

As we looked at the program, and we are trying to make up our minds whether or not to question that mandate—we tried to look at some of the initial results which were really quite promising in comparison with our experiences with things like the Job Corps.

We were seeing these increases in monthly earnings, we were seeing a very high placement rate. So we spent an awful lot of time trying to work with that program to bring the costs down to a level which is about $10,000 a family which compares with, let's say, in the Job Corps about $7,000 for one youngster. And for $10,000, of course, the family is getting preschool education, there is counseling on consumer economics and so forth. There are a lot of things besides the skill training for the father.

There is a lot of evaluation still to be done. Dr. Reider gives you a figure about what happens immediately after they leave, however there is still a question as to what happens 2 years after they leave, and that is an issue we want to look at.

Still for a set of families, rural, destitute, poor, who have had no hope before, frequently, I think, had family problems and so on, maybe this is a program that makes a great deal of sense. We are talking with the States out there about how that ultimately gets paid for—who is going to support such a program. Is $10,000 a family something that a State would be willing to put into that sort of program. We would like to be able to demonstrate in some economic sense, to say nothing of the social sense, that it is worthwhile because of reduction in the family's dependency on the State as a result of that experience. It is a very interesting program I think.

### CAREER EDUCATION OPPOSITION

Mr. OBEY. I did notice some criticism by an AFL–CIO official on your career education plan. Let me quote. Again I am not bringing these up because I am necessarily implying criticism on the part of any of these things. I just think it is absolutely essential that the record have a good top shelf response to a lot of these questions.

John Session, assistant director of AFL–CIO Education Department, was commenting on one section of the career education paper, which evidently cites as present obstacles to good career education programs child labor laws, minimum wage laws, and safety codes. He then went on to say, "This paper states that these constraints are the potential targets of career education activities," and then asks the question, "Does anyone seriously expect to enlist organized labor as an ally in a career education program which regards union contracts as a potential target?" Would you respond?

Mr. GLENNAN. The answer is "No."

Mr. OBEY. What is your response to the whole thing?

Mr. GLENNAN. The response I think is the following: In the first place that was a planning paper, it was put out to elicit just exactly those kinds of remarks. I guess we would rather have had them in private, and indeed we have had more positive ones in private just before that from the labor people. But nonetheless we have been trying to get our plans out into the public domain for debate, for comment, so that we do understand where there are problems. That was not one that had to get in public for me to have some sense of these problems.

I do think that there are serious concerns raised by a great number of people about whether, in the form they have been applied, all of the laws that we now have on our books are necessarily appropriate to the development of kids.

But certainly in the process of changing anything we have to take that to the public—I shouldn't say we. Whoever would be changing that would take it to the public, and I think the kind of concerns labor has are very serious ones. Obviously it is a major concern of theirs and one that has been expressed to me and fully understandable. They don't want to see kids get work experience at the expense of older breadwinners. It is all very well to say that work experience is a very valuable educational experience but if it means putting older people out of work that may not be something socially desirable.

That is their point and I think it is a very valid one.

We tried to promote that kind of discussion so we could understand it and indeed carry out some research to understand how valid it is.

I certainly would not like to support something that said all child labor laws are wrong nor would I say that they are.

Mr. OBEY. I don't think they implied that either.

### MOUNTAIN PLAINS PROJECT

Mr. OBEY. To go back to the mountain plains project for just one moment, and on a philosophical note, I'd just like to know if you people think NIE ought to be conducting programs like this one which are similar to those being carried out by agencies like the Job Corps?

Mr. GLENNAN. The mountain plains program and the Job Corps program are significantly different. The primary mission of the mountain plains program is the economic rehabilitation of the family through a comprehensive human development approach. Therefore, it is family centered rather than geared towards the individual. And unlike the work-oriented environment created by the Job Corps, the environment of the mountain plains program is residential. However, the most important and unique aspect of our program, that differentiates it from other programs such as Job Corps, is the wide range of services offered. The provision of job-related skills is just one component of the program. Also included is a family core curriculum designed to provide both the head of the household and spouse with home management, health and consumer education, parenting and community relations skills, medical, dental, and optical services, financial support while in the program, child development and care for preschool youngsters and placement services.

### SCHOOL FINANCE STUDIES

Mr. OBEY. I see that you are planning three studies on school financing for next year. I wonder if you could expand on that, and tell me specifically what kinds of information those studies will generate for local communities which need information on alternative plans for financing local education costs.

Mr. GLENNAN. The three areas of work proposed by the NIE in school finance are not specifically designed to provide information for local communities for use in evaluating alternative plans for financing local education costs. Recent court decisions and the alternatives that have since been proposed are not aimed at local communities. On the contrary, recent alternative plans for financing schools are designed to shift the discretionary decisions on the costs and expenditures for education to the State level. These plans, for reasons of equity, attempt to remove or limit the discretion which local communities exercise over costs and expenditures.

NIE is conducting policy research on the implications of these alternative solutions regarding inequality of educational opportunity. The Institute is also conducting research of a more basic nature on the relation between education expenditures and the quality of education which results. This research is aimed at understanding how expenditures affect outcomes. Such information is valuable because it can be generalized on a national scale. Other research is being conducted regarding the impact of differentiating between school districts when allocating education resources. Again this research is mainly of concern to States in determining the optimal allocation of financial resources.

### ACADEMIC BACKGROUND OF NIE STAFF

Mr. Obey. In 1971 my colleague, and your good friend, John Brademas, made a speech in which he said the following:

> It seems to me to be most important that the initial staff of the NIE be of the highest scientific caliber, and must represent not only all that is best in the educational research of the recent past but also those fields in which new contributions to learning about learning might be found * * *

He specifically mentioned wanting more anthropologists, political scientists, communication engineers, cyberneticists, neurophysiologists, nutritionists and other such people involved in educational research.

I wonder if you would provide for the record some kind of breakdown on the backgrounds of those now at NIE.

Mr. Glennan. I will be happy to supply that for the record.

[The information follows:]

Academic disciplines of professional staff of the National Institute of Education are as follows:

| | |
|---|---|
| Anthropology | 1 |
| Applied behavioral science | 4 |
| Architecture | 1 |
| Art | 3 |
| Business administration | 3 |
| Communications | 3 |
| Computer science | 1 |
| Curriculum development | 1 |
| Education | 32 |
| Education organization and administration | 22 |
| Education planning | 8 |
| Engineering | 2 |
| English | 16 |
| French | 2 |
| Guidance and counseling | 2 |
| History | 12 |
| International organizations | 2 |
| International relations | 1 |
| Journalism | 4 |
| Law | 8 |
| Library/information science | 5 |
| Linguistics | 1 |
| Management science | 6 |
| Mathematics | 1 |
| Music | 1 |
| Philosophy | 1 |
| Physical sciences | 5 |
| Political science | 10 |
| Psychology | 16 |
| Educational psychology | 8 |
| Public administration | 10 |
| Public relations | 1 |
| Research methodology | 6 |
| Sociology | 11 |

### "ERIC" SYSTEM

Mr. Obey. The so-called ERIC system is, as I understand it, supposed to get to local school boards, principals, and teachers, results of various educational R. & D. which has been done. Frankly, I've heard complaints that this system is a fine retrieval system for educational researchers who are doing more research, but that in fact, the information does not get down to the average teacher. Could you explain the system itself? Who uses it, that is, what percentage of the requests are from teachers, R. & D. centers, et cetera?

You noted in your justification that 14 million copies of ERIC documents were sold to individuals and educational agencies. What kinds of costs are we talking about—how much does it cost to get information out of that system? If that research is totally federally financed, is there still a charge to those who want to get the results and benefit from it?

Mr. GLENNAN. Earlier I proposed to provide for the record a description of the ERIC system which I think you will find complete. Now I propose to add to the record a response to your question about the costs of the ERIC system.

[The information follows:]

At the present time, ERIC requires substantial Federal support for its operation, yet other costs such as those incurred in publishing Research in Education. Current Index to Journals in Education, microfiche and hardcopy documents are partially defrayed by subscribers.

The present prices for ERIC products are as follows:

Subscriptions: "Research in Education"—(GPO)—$38; "MacMillian Information"—Current Index to Journals in Education—$44; microfiche standing orders approximately $1,500 per year (11.1 cents per fiche).

On-demand orders: Microfiche—65 cents per title; hard-copy—$3.29 per hundred pages: Thesaurus of ERIC Descriptors—$8.95.

There are no clear data on the consequences of the current economic structure of the system or of possible alternative funding approaches. For that reason, one of the improvement studies during fiscal year 1975 is an economic analysis of ERIC to examine overall costs and benefits of the current system to both the Government and the educational community. The results of this study, requiring $100,000, will be used to identify and select from policy options for financing future information service operations.

## NEBRASKA TV PROJECT

Mr. SHRIVER. You say in your February report that surveys suggest that 200,000 people in Kansas and six surrounding States are interested in taking courses ranging from accounting to Oriental cultures from the State University of Nebraska. Tell us more about this regional project.

Mr. GLENNAN. In 1971, the president of the University of Nebraska proposed that OE fund the production of two courses for use on the nine station Nebraska Education Television Network. This request came at the conclusion of a decade of generally unsuccessful efforts to use technology as a tool to open up education to many more and different kinds of adults, to offer highly individualized instruction in a wider variety of courses in training programs and to develop cost-effective and efficient means of financing these efforts. The Nebraska proposal was funded by the Office of Education to test an open learning system on a demonstration scale. The results of two planning, evaluation and design phases took account of audience potential, previous technology-based projects and courseware, copyright legalities, and research finds to date. They developed courseware personnel, 12 experimental television segments, interinstitutional consortium arrangements and organizational models for State, regional and national implementation.

A team of eight consultants reviewed the project with several NIE professional staff members during a 2 day site visit in August, 1973. The site visitors determined that SUN possessed the technical capacity and expertise, television delivery system, institutional and political support and staff skills in media development, media invention, field-test techniques and market research accomplishments to carry out their objectives. However, two basic flaws in the project were seen to exist, centering about response to consumer needs and cost-effectiveness. Despite these weaknesses the consultants concurred that in order to answer questions such as how many adults will use an open learning system such as SUN? For how long? To what degree of success? At what cost? With what support services? Et cetera, a system must be devised and tested.

For 1974 the site visitors proposed changes in the project to best direct it to develop into a test bed, with an expanded audience base, curriculum offerings, and utilization of varied media forms. The location, midcontinent with its great distances and sparse distribution of educational institutions, the rising cost of higher education, and the prior commitment and capability of the SUN group, were considerations underlying their recommendations for continuation.

### ALL STAFF IN WASHINGTON

Mr. SHRIVER. Are your operations directed solely from the central office down at 19th and M Streets here in Washington, or are some of the decisions made in the regional offices of HEW? Since we have more than 90,000 schools in 17,000 school districts, it would seem that you have a formidable problem just in maintaining any kind of contact with the people you are trying to help. How do you do it?

Mr. GLENNAN. NIE does not maintain staff in the Regional Offices of HEW. Like most other Federal research agencies, the Institute staff operations are located at one site.

It is certainly true that the large number of schools and school districts poses significant problems for the Institute in maintaining communications with the people we are trying to help, though these problems are probably no more severe than those faced by the National Science Foundation or the National Cancer Institute.

We address these problems in a variety of ways such as the holding of open meetings by the National Council of Educational Research the recent visits by NCER to schools in Dallas, Philadelphia and Charleston; and scheduling of addresses before NCER by members of the public. Additionally, NIE has been encouraging professional organizations such as the National Education Association and the Association of Chief State School Officers to establish committees to meet with NIE to discuss plans, priorities and general educational concerns. Furthermore, the Institute has involved program staff of schools and State education agencies in problem definition and program building; formed proposal review panels composed of staff from local school and State education agencies: and utilized practitioner needs assessment surveys in formulating program objectives.

### "PROBLEM SOLVING"

Mr. SHRIVER. In a review put out by your Office of Information in February, you say that your aim at the Institute will be to determine whether and how an effective problem-solving capacity can be developed at the local education level. I think many of our local education agencies and officials have shown that they are very capable in dealing with their own local problems. I also think this committee should hear from some of these local officials as to what, if anything, they want from Federal education research activities. All we have heard so far is what you want to do for them. How do you find out what they want?

Mr. GLENNAN. The program on problem-solving is one result of a study conducted last year by Institute staff that looked into how best to build an effective R. & D. system for education, and how to disseminate R. & D. results so that they would be effectively used by practitioners.

The study team included staff members who have held administrative positions in school systems and served on local school committees. The staff made extended visits to State education agencies and local school systems in Texas, North Carolina, Rhode Island, New York, Pennsylvania, and Oregon to seek the advice of practitioners in preparing their report.

Once the report, called "Building Capacity for Renewal and Reform," was available, it was distributed widely to State education agencies and professional associations and meetings were held with several practitioner groups to get their reactions to the report and their specific suggestions for modification of the program recommendations contained in the report. NIE plans in the "problem-solving" area, therefore, reflect very broad participation by State and local educators.

It was in part this involvement of practitioners that led to the recommendation for a program on school problem-solving. Many practitioners feel that education R. & D. has not been used because it is done by people not familiar enough with school problems, not sufficiently sensitive to the values of practicing educators, and too ready to treat the practitioner as the passive recipient of R. & D. rather than as an equal and active participant in the R. & D. process.

Furthermore, there will always be a need for Federal funding of particular R. & D. efforts at the national level. But the results of such efforts will come to nothing if people at the local level do not have the organizational capacity and resources to critically analyze those results and adapt and modify them to fit local needs.

The school problem-solving program is intended to build organizational capacity in State education agencies and local school systems to become very active participants in the R. & D. system. In part this means increasing their capacity to find out what works in education and to adapt and modify good ideas and practices developed elsewhere to fit their own State or local needs. In part it means working with State and local agencies to find better ways for them to identify needs, anticipate and analyze problems, develop and implement solutions, and assess progress.

R. & D. is a technique for solving problems. Schools should not be simply a client for R. & D.; they should be doing R. & D. and participating in a process of inquiry in a way that makes them an integral part of the larger R. & D. system. That is what the school problem-solving program is about.

### ASSISTANT DIRECTOR FOR PROBLEM-SOLVING

Mr. SHRIVER. Is your Assistant Director for Problem-Solving here today? What does that job entail? I kind of like that title. Perhaps we need more of them in Government.

Mr. GLENNAN. The Assistant Director for Problem-Solving is Marc Tucker. He is not with us today. We agree, there should be more of them in Government. We mean that in the sense that the program is intended to build capacity at the local level to address complex problems in a sophisticated way. It is not a program to invent at the Federal level solutions to local programs; even less is it a program to mandate the local use of ideas generated by the Federal Government.

### LOCAL SCHOOL BOARDS

Mr. SHRIVER. You are proposing eight grants to explore ways for the general public to become more knowledgeable about and active in the operation of their schools. What do you think the role of the school board is? Have you ever served on one? Would you duplicate the work of school boards with these community information and service centers under these grants?

Mr. GLENNAN. The grant activity referred to is part of the program on school problem-solving. The head of that program has served on an elected local school board in Massachusetts. The proposed grant program is intended to assist school boards in providing policy guidance to school staff.

Based on his own experience as a school board member, and conversations with many people in the field the Assistant Director for Problem-Solving feels that many school board members, particularly those serving in big cities, want to find better means for producing and communicating to their constituents better, more detailed and more useful information about the schools and that boards want to find better ways of involving citizens in the decisionmaking process. The alternative to better communication and more involvement of the general citizenry is an endless series of crises, provoked by angry citizens who are often ill-informed and who are perceived to be irrational and unreasonable.

It is also the case that many school boards would like to bring about substantial changes in school policy for which their constituents are ill-prepared. Ad hoc arrangements to inform constituents of such changes are rarely satisfactory. The establishment of more lasting communication vehicles, such as "community information and service centers," might well make it possible for local boards to move faster and with more assurance than would otherwise be possible.

Lastly, an effort to find more effective ways of reporting on school system operations and alternatives to current school programs would not only benefit the community as a whole, it would be of direct and immediate benefit to the local board. Many board members, and not a few superintendents, are frustrated at their inability to get sufficient information about school operations on which to base policy decisions.

So we propose to assist school boards, at both State and local levels, in carrying out their roles, and we do not envision any duplication between their activities and ours.

## FOUR-DAY SCHOOL WEEKS

Mr. **Shriver.** Tell us more about that project in Maine which uses a 4-day student week. What is the reaction of parents, especially those in which mothers hold 5-day-a-week jobs?

Mr. **Glennan.** For the past 3 years, Maine School Administrative District No. 3 has been experimenting with a program which has students attend school for only 4 days per week, with the 5th day reserved for staff development, planning, and curriculum revision. The entire program is guided by a communitywide planning group which includes teachers, administrators, parents, students, and other district citizens.

NIE is interested in this program because it represents a locally devised effort to provide opportunities for school staffs and their communities to engage in a continuous process of educational improvement. NIE wants to learn more about the development and dynamics of this program in order to assess its effects more thoroughly and to determine whether there are elements of the Maine program that might be adapted by other communities.

A description of the first 2 years of the program is contained in "Title IV and Changing Educational Designs," the spring 1973 issue of the quarterly published by the National Advisory Council on Supplementary Centers and Services. A key paragraph from that article refers to the first year evaluation of the program which revealed enough favorable data that Maine's Commissioner of Education encouraged the district to try a second year of student 4-day weeks coupled with Friday staff workshops. The district directors found that student achievement had actually improved slightly during the 1971-72 school year as measured by the districtwide Stanford achievement testing program. A community attitude study conducted under the direction of the Maine department of education pointed to general approval of the 4-day student week, staff development program, and resulting changes in the schools by a large majority of teachers and students and a comfortable majority of parents.

A recent telephone interview with the project director revealed that 70 to 80 percent of the parents have consistently voiced strong support for the program. The project director added that he can't remember any situations in which a parent was so inconvenienced by the schoolless fifth day that he/she raised strong objections to the program. For more detailed analysis of parents' reactions, the director referred to a major study of community attitudes being conducted by the Colby College Sociology Department which will be completed within several weeks.

## PUBLIC RELATIONS ACTIVITIES

Mr. **Shriver.** Why do you find it necessary to have both an Office of External Relations and an Office of Public Information?

Mr. **Glennan.** The Office of Public Information and the Office of External Relations perform distinctly separate functions. The Office of Public Information provides a writing capability for the institute, including the executive secretariat, which tracks and controls institute mail. OPI provides information to the general public and serves as the institute liaison with the news media.

The Office of External Relations serves as the Institute's liaison with Congress; special interest groups, including teacher organizations; Chief State School Officers; and other organizations interested in the activities of NIE. The two offices work closely together, but the responsibilities of each are clearly defined and separate and each requires different kinds of expertise.

### VOUCHER EXPERIMENT

Mr. SHRIVER. This subcommittee has been hearing about the "voucher system" experiment ever since OEO started them back in 1969. Now you have them.

In regard to the Alum Rock project in California, you say in your report that parents are exercising their right to choose the kinds of schools their children will attend, and that a sizable number have transferred their children from one school or program to another during the first year. Do you have any information yet on what effects repeated transfers might have on these children?

Mr. GLENNAN. The effects of repeated transfers on children in the Alum Rock voucher demonstration have not yet been examined. The incidence of repeated transfers was quite low during the first year of the demonstration and we have had no indication that such behavior has been a problem. With the rate of transfers increasing in the second year this situation may change.

In the next few months we will begin to look at the effects of student transfers in general and will examine repeated transfers as part of this effort. Indicators of possible effects include achievement and affective test results, attendance patterns and parental attitudes.

Two basic comparisons will be made. The first is an examination of these indices for the students who transferred both before and after the transfer and the second is a comparison of students who transferred with those who did not.

These studies will try to identify the ways in which these students differ from their classmates, if at all, and the reasons why parents chose to use their vouchers in this way.

### FOLLOW THROUGH PROGRAM

Mr. SHRIVER. If followthrough is reauthorized by Congress, would that be shifted to the institute?

Mr. GLENNAN. If the followthrough program is reauthorized and is primarily an R. & D. program, the Education Division within HEW, under the leadership of the Assistant Secretary for Education, would have to determine whether a more appropriate location for the program would be NIE.

If the program is reauthorized as a service program it would probably remain in the Office of Education.

### SOURCES OF EDUCATION FUNDS

Mr. SHRIVER. You mention that expenditures for education from all sources now total about $96 billion a year. What all does that include? We should have those figures broken down for the record showing the various sources of financial input and how those sources are changing.

Mr. GLENNAN. We will be happy to supply that for the record.

[The information follows:]

DISTRIBUTION BY SOURCE OF FUNDS FOR EDUCATION AT ALL LEVELS, 1971-72 TO 1973-74

[Dollar amounts in billions]

| | 1971-72 | | 1972-73 | | 1973-74 | |
|---|---|---|---|---|---|---|
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Federal | $9.0 | 10.8 | $9.5 | 10.6 | $9.6 | 10.0 |
| State | 27.4 | 32.9 | 29.8 | 33.3 | 32.3 | 33.5 |
| Local | 25.9 | 31.1 | 27.5 | 30.7 | 29.9 | 31.1 |
| Nonpublic | 21.0 | 25.2 | 22.7 | 25.4 | 24.5 | 25.4 |
| Total | 83.3 | 100.0 | 89.5 | 100.0 | 96.3 | 100.0 |

The table indicates that over the three most recent school years, the federal share of funds for education has been declining with the States increasing their share, while local and nonpublic sources have remained stable.

### COMMUNICATIONS SATELLITES

Mr. SHRIVER. One of your major efforts in terms of expenditures is the use of communications satellites to reach people in Appalachia, the Rocky Mountains, and Alaska. Couldn't this also be used in sparsely populated rural areas in the Great Plains region? Would you anticipate expanding into those areas?

Mr. GLENNAN. The application technology satellites activity involving the use of a communications satellite to reach people in Appalachia, the Rocky Mountains, and Alaska is among the projects transferred to NIE from USOE. We are using it as a test of the convenience, reliability, and cost of delivering various educational services to sparsely populated and remote communities. A careful evaluation will compare these factors for several delivery systems, including sending video tapes through the mails, and a mix of satellite and cable-TV.

Extending the use of the satellite technique into a regular service for rural areas including the Great Plains region requires a better understanding than we have now of the ancillary institutional arrangements required. For example, how can the special needs of different school districts be established? How can the development of the video materials be managed and funded? How can interdistrict and interstate fund transfers be arranged? What new agencies or combinations of existing agencies are needed to negotiate with satellite communications channel suppliers, et cetera? Our evaluation will attempt to provide answers to these and similar questions.

While we have no firm plans at this time, we are examining also the possibility of using communications satellite technology to extend the reach of the State University of Nebraska open learning system.

### TEACHER "COMPETENCIES"

Mr. SHRIVER. You mention efforts to determine what a "competent" teacher is. This would seem to get pretty involved, taking into account the needs of the children to be taught and the various circumstances within each community. Do you envision coming up with something like an ideal teacher model?

Mr. GLENNAN. The answer to the question is two fold. First, we feel that certain effective teacher competencies may be universal across different communities and situations; however, other competencies may be variable depending on the situation. Second, it may be unrealistic and undesirable to expect all teachers to perform at the identical level of effectiveness in every competency. We might hope that, instead of an ideal teacher model, to have universally identified effective competencies which would at the same time allow for individual teacher and community differences.

NIE is presently funding a study in California to look at this very problem. Two hundred experienced and beginning teachers will be identified and observed to determine what the teacher competencies are that affect student performance. The beginning teacher evaluation study is a 4-year project being conducted by the commission for teacher preparation and licensing under a grant from National Institute of Education. The overall goal of the study is to identify teacher behaviors which are consistently related to student achievements. The results of this study will provide information to the commission to develop a teacher licensing system for the State of California.

At the same time the Research and Development Center for Teacher Education, Austin, Tex., is exploring the effects of the interactions between certain personalities of teachers and those of students on student performance. It is anticipated that the results will indicate that certain students perform better with certain types of teachers.

It is hoped that through these studies and others like them, we may determine whether universal competencies exist which every teacher should acquire, and whether competencies exist which are specific to certain situations and students.

## DISCONTINUED PROJECTS

Mr. SHRIVER. Tell us about some of the programs which were transferred to NIE which you have decided to discontinue.

Mr. GLENNAN. Let me explain three such programs. First, the national program on early childhood education at the central midwestern regional educational lab had as its goal to develop a comprehensive, early childhood education system by monitoring those institutions containing an early childhood component. The national program was transferred from OE to NIE at a time when OE decided to move from institutional support to program support and to consolidate the strength of early childhood research within the Federal Government rather than within an intermediary such as NP. NIE concurred with OE's policies regarding program support and research consolidation at the Federal level and thus decided not to support the NP when it was transferred to the institute. Second, four ERIC clearinghouses transferred from OE became consolidated into two thus reducing the total number of clearinghouses from 18 to 16. The clearinghouses for vocational technical education and for adult continuing education became the career education clearinghouse. And the clearinghouses for educational media technology and for library information sciences became the ERIC clearinghouse on information resources. The consolidation occurred primarily to reduce dual management overhead costs however, the scope of these two clearinghouses, as compared with the original four, is considerably broader. A third example, the program on training for inner-city educators at the midcontinent regional educational lab represented an effort to develop an inner-city curriculum for teacher training. The program was based on the premise that teachers who had little exposure to ethnic groups and conditions of the inner city needed special training in order to effectively teach inner-city children. The program, however, was discontinued by NIE because the McRel staff failed to define the research issue, conceptualize and then focus on a particular problem area, substantiate the program with a fully developed theory and devise an adequate research methodolgy.

### POTENTIAL OVERLAP WITH OFFICE OF EDUCATION

Mr. SHRIVER. You say the Office of Education has retained research activities in the field of education of the handicapped at the direction of Congress. That is true, but what are you doing with the activities on page 56 of the justifications for which you are requesting nearly $4 million? Why isn't that over in OE?

Mr. GLENNAN. In education of the handicapped, the activities of the Office of Education are primarily in demonstration and services whereas the activities of NIE are devoted to basic research.

NIE is currently engaged in research which includes, one, a classification and training or learning disability children in order to identify the key variables involved in teaching the handicapped, two, a study of prebirth and postbirth predicators of learning disabilities and behavior problems in order to establish effective instruments and procedures for correction, and three, the effects of infant starvation on learning disabilities.

The $5 million provides for continuation of such activities as well as beginning new basic research studies on other concerns relating to the education of the handicapped.

The NIE and OE programs are complementary in that the NIE basic research program will provide further knowledge to OE for the development of their programs.

### PRESCHOOL EDUCATION

Mr. SHRIVER. The new commissioner-designate for education has indicated his strong interest in preschool education in the home. What research are you initiating in this area?

[The information follows:]

In the area of preschool education the National Institute of Education is continuing several lab/center programs inherited from the Office of Education. These programs are: One, the marketable preschool education program at the Appalachia Educational Lab is intended to serve the educational needs of the 3- to 5-year-old children in rural Appalachia through a television series. Second, the early childhood program at the southwest educational development lab is supporting development and dissemination of instructional materials and related staff support materials designed to stimulate the intellectual, emotional, physical, and social development of 3- to 5-year-old poor, Spanish-speaking children. Third, toward a theoretical model of infant comp[illegible] at the demonstration and research center for early education is developing a means of studying the growth of infant competence which is defined as the ability of the infant to control his/her world in both social, home, and nonsocial, laboratory, situations. Fourth, home visiting with mothers of toddlers and their siblings at the demonstration and research center for early education is developing and researching a model of working in the home with low-income parents, their toddlers, and other preschool children. The general objective is to enable mothers to become more effective in changing behavior for all their young children and at the same time enhance the mother's competence and confidence in coping with life demands. Fifth, family influences on children's characteristics: Some methodological and substantive models at the early education research center is addressing certain methodological problems encountered in understanding family influences on early childhood socialization and education. A sixth ERIC clearinghouse on early childhood education at the University of Illinois contains educational literature on prenatal factors, parental behavior; the physical, psychological, social, educational and cultural development of children from birth through the primary grades; educational theory, research, and practice related to the development of young children.

The Institute is also supporting a child study center as a facility for in-house professionals to conduct research on the learning and development of young children, ages 3 to 5. Recruitment of children has been directed toward creating heterogeneity in age, sex, socioeconomic status, and race. The purpose of this selective recruitment is to provide an environment appealing to researchers interested in the consequences of heterogeneity and social development. Currently an investigation of social competencce is being conducted; future research will include studies of sex role development and cognitive development.

## TRANSFERRED PROGRAMS

Mr. CONTE. You show an increase in funds for inherited programs in fiscal year 1975. Was that increase included in earlier commitments or does it represent judgment on the value of those programs?

Mr. GLENNAN. The increase in funds, fiscal year 1975 over 1974, for inherited programs is actually the result of a funding action taken by NIE in fiscal year 1973. In that year, fiscal year 1973, the Institute forward funded some $6 million of Federal commitments which would have been met by the fiscal year 1974 appropriation. Therefore, if that action had not been taken then fiscal year 1975 would have reflected a decrease of approximately $3 million over the fiscal year 1974 funds going to inherited programs.

## CONTRACTS VERSUS GRANTS

Mr. CONTE. NIE contract funds are almost double its grant funds. In your judgment, is this a justifiable division?

Mr. GLENNAN. Fiscal year 1973 summary statistics of award data indicate the Institute awards were broken down into $70.5 million or 70.5 percent of total dollars awarded in contracts and $29.5 million or 29.5 percent of total dollars awarded in grants.

The high percentage of contracts awarded by NIE is attributable to two major program activities: lab and centers, approximately $35 million; and experimental schools, approximately $19.5 million. The lab and center awards were the result of a decision to procure individual programs as opposed to providing general institutional support. Contracts in lieu of grants were awarded under our experimental schools program in light of program objectives which require the school to be bound to performance for the 5-year period to protect our investment and the integrity of the experiments.

The use of contracts offers certain advantages. They are more flexible tools enabling greater participation by the contractor in meeting the goals of projects. Additionally, contracts allow room for negotiation by both parties in the event of revised funding requirements or shifts in research focus.

### ALLOCATION OF RESOURCES

Mr. CONTE. On page 38, you have a list of NIE activities with amounts spent on each category. Does this represent a deliberate allocation for those categories or is it just the way it worked out with decisions made on some other basis?

Mr. GLENNAN. The list of activities and amounts on page 38 does not represent a deliberate allocation for those categories. Budget allocations were made on the basis of the Institute's program areas which are improving the productivity of resources in the educational system, understanding and improving the relationship of education to work and careers, developing a problem-solving capacity in education at the State and local levels, increasing diversity in American education, teaching and curriculum, basic and policy studies, and dissemination and resources.

### PROGRAM ADMINISTRATION

Mr. CONTE. Looking at the table on page 39 of the justification, program direction and administration in 1975 will be almost one-third of the amount spent on research and one-fifth of the amount spent on development. Do you have any comparative figures from other Federal R. & D. programs? Have you given any consideration to ways to reduce the proportion of funds spent on administration? Put that in the record.

[The information follows:]

FUNDS FOR PROGRAM DIRECTION AND ADMINISTRATION AS A PERCENT OF FUNDS FOR R. & D. IN 3 FEDERAL AGENCIES, FISCAL YEAR 1975

[Dollar amounts in millions]

| Agency | Program direction and administration (1) | Research and development (2) | (1) as a percent of (2) |
|---|---|---|---|
| National Institute of Education | $12.9 | $104.2 | 12.4 |
| National Science Foundation | 39.5 | 743.7 | 5.3 |
| National Cancer Institute | 72.0 | 528.0 | 13.6 |

NIE currently is initiating a manpower utilization study which is intended to provide NIE management with a continuing system for analyzing staffing requirements and increasing the productivity of its staff.

It is important to note that NIE's $12.9 for "Program direction and administration," includes support for the National Council for Educational Research and the in-house research program.

### HYPERACTIVE CHILDREN

Mr. CONTE. Are you supporting any research on ways of teaching hyperactive children?

Mr. GLENNAN. No, we are not supporting research on ways of teaching hyperactive children, however we are supporting research on hyperactive children which may lead to better teaching methods.

These research projects are concerned with the relationship between hyperactivity and learning problems as it emerges in the first 3 years of school, evaluation and refinement of a measure of learning ability that can be used with children from different cultures or who have learning and behavior problems, identifying variables that are involved in teaching hyperactive children especially management of social behavior and the relationship between heart rate responses and attention during infancy and early childhood and the possibility of being able to predict hyperactivity.

### AVERAGE SIZE OF GRANT AND CONTRACT

Mr. CONTE. What is the average size of an NIE contract? Grant?

Mr. GLENNAN. I would like to supply our fiscal year 1973 experience for the record.

[The information follows:]

SUMMARY OF NIE GRANTS AND CONTRACTS IN 1973

| | Number | Total amount (millions) | Average size (thousands) |
|---|---|---|---|
| Grants | 282 | $29.8 | $105.7 |
| Contracts | 164 | 70.5 | 429.8 |

### LABOR FORCE STUDIES

Mr. CONTE. How much do you plan to spend in 1975 on studies of occupations where technological changes produce a labor oversupply?

Mr. GLENNAN. Among the issues for NIE's consideration under the priority of understanding and improving the relationship of education and work is one of coordinating the projections of occupational demand with the planning and design of educational programs. The problem of oversupply of workers with particular skills, whatever the cause of the oversupply, can possibly be attenuated by a quicker response on the part of educational institutions to changes in demand. NIE is funding two projects in fiscal year 1974 related to this issue and may invest more in fiscal year 1975 and 1976 depending on the outcome of these efforts.

Through the Center for Occupational Education at North Carolina State University, NIE is supporting a project to determine the needs for manpower information by educators and the adequacy of manpower demand projections supplied by the Department of Labor for the planning of educational programs. Information will be gathered by conducting onsite structured interviews with regional, State, and local personnel currently involved in supplying manpower data, and those responsible for the planning and administration of vocational and career education.

The other project is examining the problem of underemployment, overtraining that is caused by having an oversupply of workers for the available jobs that demand specific educational credentials. The Bureau of Labor Statistics has estimated that between 1980 and 1985 we will graduate about 700,000 more persons with bachelors degrees than will be able to find jobs requiring this level of education. The effects of this will be felt throughout the labor force and among persons of all educational levels. NIE's project, for which a contractor will be selected by June 1974, will make policy and program recommendations to NIE on how education can deal with this problem.

On a more general level, one of the goals of all the career education programs being developed through NIE is to enable individuals to understand better the changes that occur in our economy and how these might affect them and their jobs. The Institute is also exploring various alternative strategies to ensure that individuals whose skills become obsolete will be able to get the training they need to keep up with the changing demands of our economy.

### WOMEN IN WORK FORCE

Mr. Conte. From the research that NIE is supporting, what are some of the fields in which there are few women?

Mr. Glennan. We do have information on that which I would like to supply for the record.

[The information follows:]

First, women had entered the labor force in ever-increasing numbers. In 1972, 43.8 percent of all women of working age were in the labor force; 37.4 percent of the labor force itself were women; 41 percent of married women were employed. In all, about 33,320,000 women were members of the labor force in 1972.

Second, women are segregated within the labor force. In 1969, of 250 distinct occupations listed by the Bureau of the Census, half of all women workers were employed in only 21 of these occupations, in contrast with half of all male workers who were employed in 65 of these occupations. Most women are concentrated into occupations such as school teaching, nursing, library work, typing, clerical work, retail selling, service jobs and certain light types of industrial work.

Third, not only are most women concentrated in these occupations, but many occupations are stereotypically female [or, in reverse, male]. That is, the vast majority of people employed in that occupation are of one gender. For example, 86 percent of all elementary teachers, 95 percent of all typists, 98 percent of all nurses and 84 percent of all bookkeepers are female.

Fourth, women are concentrated in occupations that are typically lower in social status and income than are men's occupations. The proportion of women in higher status, professional and managerial occupations has been virtually unchanged since 1920 [Source: President's Economic Report to Congress, 1973.] As table 1 shows:

PERCENTAGE OF WOMEN IN SEVERAL PROFESSIONAL AND MANAGERIAL OCCUPATIONS

| | 1910 | 1920 | 1950 | 1970 |
|---|---|---|---|---|
| Clergymen | 0.6 | 1.4 | 4.0 | 2.9 |
| College presidents, professors, and instructors | 18.9 | 30.2 | 23.2 | 28.2 |
| Dentists | 3.1 | 3.3 | 2.7 | 3.5 |
| Editors and reporters | 12.1 | 16.8 | 32.0 | 40.6 |
| Engineers | | | 1.2 | 1.6 |
| Lawyers and judges | .5 | 1.4 | 3.5 | 4.9 |
| Managers, manufacturing industries | 1.7 | 3.1 | 6.4 | 6.3 |
| Physicians | 6.0 | 5.0 | 6.1 | 9.3 |

Fifth, women do not appear to get equal pay for equal work, and even when women enter professional occupations, they appear to be under greater stress and are less likely to advance. Women chemists, for example, are three times as likely to kill themselves as men chemists [Synthis Fuch Epistein, "Success Among Women," [illegible] ch January 1973].

Women [illegible] ologists when matched for levels of education, years of continuous [illegible] experience and marital status earned about $5,000 a year less than men. They were less likely to be supervisors or administrators, more likely to be on soft money, and receive less extramural recognition such as invitations to international conferences in spite of the fact that publication rates in esteemed journals were similar. [Source: Kashet et al., "Status of Women Microbiologist," Science, 183, p. 488–493.]

Mr. CONTE. Where do you suspect the real problem lies—are girls being led to think they don't have the ability, or is there a real difference in ability between boys and girls?

Mr. GLENNAN. First, there are more than those two alternatives, including the alternative of discrimination against women.

Considering the alternative of innate difference between girls and boys. There is no research to suggest that one sex has more intellectual capacity than the other. Girls receive as high or higher grades than boys throughout the elementary and secondary school years. Girls and boys perform equally well on intelligence tests and tests of learning, retention, transfer and reasoning ability. The only known sex differences in academic skills has to do with modes of learning. More girls than boys show facility with verbal skills and more boys than girls show facility with spatial and mathematical tasks. It is not clear, however, whether this sex difference is due to innate psychological differences or to social learning. Current thinking, which bases its conclusions on neonatal research and the fact that some girls are better than boys at spatial tasks and some boys better than girls in verbal skills, concludes that social learning plays at least a predominant role in the shaping of these differences in modes of learning.

With regard to whether girls are being led to think that they don't have the ability, research shows that although girls are equipped with the academic skills and intellectual capacity to perform as well as boys, their educational and occupational aspirations and attainments are not as high. In fact, many studies show that women are more afraid of achievement or success than they are of failure, because they view achievement, particularly achieving at a higher level than a man, as a threat to their femininity.

Many feel that the reasons for the reduced aspiration and attainment level of women is largely the result of socialization which begins at birth and even before. The agents of this socialization include the family, the schools and the media. Most often socialization is subtle, not direct. For example, girls have few role models of successful competent women in a variety of occupations in their school tests or in the media. Although boys are expected and are trained to pursue a career, girls are not. Girls instead are trained and expected to become a wife and mother.

These effects show up very far downstream: narrow and stereotyped occupational choices are found in girls as young as preschool most of whom want to be teachers or nurses. The socializing process continues as girls are prevented by law, in some States from taking science, shop courses or competitive athletics and required to take home economics. Occupational stereotyping continues as girls seeking to continue their education are encouraging to take something practical, like typing, and actively discouraged from considering nontraditional occupations such as science or law. The turnoff from science and mathematics, and from high educational aspirations which is evidenced by the freshman year in high school, suggests the power, and persuasiveness of socialization.

Third, the alternative of discrimination must be considered. The laws prohibiting women from taking shop and the athletics open to men have been cited; discrimination in enrollment in higher education, in hiring, and in promotions, particularly to managerial jobs, and in opportunities to enter higher paying skill jobs has been well-documented. For example, although women form a high percentage of English major Ph. D.s, males are disproportionately hired in instructor and assistant ranks and the disproportion relative to female Ph. D.s increases as academic rank increases. The lack of women principals and superintendents in public schools has received widespread attention. And, at the skilled level, only recently have jobs within the telephone communications industry been desegregated with regard to sex.

Mr. CONTE. Are women making any progress in educational administration?

Mr. GLENNAN. In a study done in October of 1973, it was discovered that although women constitute 67 percent of the total teaching force, 97 percent of secondary principals and more than 99 percent of the superintendents are men. Thus very few women fill educational leadership positions. In fact, the percentage of women elementary principals is actually lower today than it was in past decades.

Mr. CONTE. How many women hold grades of GS-14 or above in NIE?

Mr. GLENNAN. Of 110 people holding grades 14 and above, 19 are women.

Mr. FLOOD. Thank you.

# JUSTIFICATION OF THE BUDGET ESTIMATES

## NATIONAL INSTITUTE OF EDUCATION

### Amounts Available for Obligation

| | 1974 | 1975 |
|---|---|---|
| Appropriation........................ | $75,000,000 | $130,000,000 |
| Proposed Supplemental Appropriation.. | 25,000,000 | --- |
| Proposed transfer for Civilian Pay Raises......................... | 700,000 | --- |
| Subtotal, adjusted appropriation | $100,700,000 | |
| Comparative transfer to: "Departmental Management", Office of Secretary, DHEW, for Support of Management Activities transferred from the Office of Economic Opportunity and for support of the Department Library........................... | -111,000 | --- |
| Total, obligations ............ | $100,589,000 | $130,000,000 |

### Obligations by Activity

| | 1974 Estimate | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Research and Development........ | --- | $ 90,030,000 | --- | $117,100,000 | --- | +$27,070,000 |
| Program direction and Administration. | 430 | 10,559,000 | 480 | 12,900,000 | +50 | + 2,341,000 |
| Total obligations..... | 430 | $100,589,000 | 480 | $130,000,000 | +50 | + 29,411,000 |

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Total number of permanent positions...................... | 430 | 480 | + 50 |
| Full-time equivalent of all other positions................ | 21 | 21 | --- |
| Average paid employment.......... | 410 | 471 | + 61 |
| Personnel compensation: | | | |
| Permanent positions............ | $7,200,000 | $8,255,000 | +$1,055,000 |
| Positions other than permanent.................... | 295,000 | 295,000 | --- |
| Other personnel compensation...................... | 100,000 | 100,000 | --- |
| Subtotal, personnel compensation................ | 7,595,000 | 8,650,000 | + 1,055,000 |
| Personnel benefits............... | 638,000 | 726,000 | 88,000 |
| Travel and transportation of persons....................... | 490,000 | 543,000 | + 53,000 |
| Transportation of things......... | 9,000 | 9,000 | --- |
| Rent, communications and utilities..................... | 730,000 | 1,595,000 | + 865,000 |
| Printing and reproduction........ | 51,000 | 57,000 | + 6,000 |
| Other services: ................. | 899,000 | 1,128,000 | + 229,000 |
| Project contracts .............. | 61,030,000 | 78,100,000 | +17,070,000 |
| Supplies and materials........... | 110,000 | 123,000 | + 13,000 |
| Equipment....................... | 37,000 | 69,000 | + 32,000 |
| Grants, subsidies and contributions.................. | 29,000,000 | 39,000,000 | + 10,000,000 |
| Total obligations by object...................... | $100,589,000 | $130,000,000 | +$29,411,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated obligations | $ 100,589,000 |
| 1975 Estimated obligations | 130,000,000 |
| Net change | +$ 29,411,000 |

| | Base | | Change from Base | |
|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount |
| Increases: | | | | |
| A. Built-in: | | | | |
| 1. Annualization of existing positions | | | | + 591,000 |
| 2. Rental of office space | | | | + 800,000 |
| Subtotal | | | | +$1,391,000 |
| B. Program: | | | | |
| 1. Program direction and Administration | 430 | $10,559,000 | +50 | + 950,000 |
| 2. Continuation of existing programs | | 65,262,000 | | + 3,338,000 |
| 3. New R&D activities | | 24,768,000 | | + 23,732,000 |
| Subtotal | 430 | 100,589,000 | +50 | + 28,020,000 |
| Total, net change | 430 | $100,589,000 | +50 | +$29,411,000 |

## Explanation of Changes

Increases:

A. Built-in:

1. An increase of $591,000 provides for annualization of existing authorized positions.

2. An increase of $800,000 is provided for rental of office space which was previously carried in appropriations to the General Services Administration.

B. Program:

1. An increase of $950,000 provides for a requested 50 additional positions for expanded activities and new activities in Development, Research and Dissemination.
2. An increase of $3,338,000 is requested to continue a level of program effort comparable to the prior fiscal year.

3. An increase of $23,732,000 is requested to provide funds for new R&D activities in dissemination, research, and in the following five priority areas approved by the National Council for Educational Research.

- Providing essential skills, such as reading to all citizens.

- Improving the productivity of resources in education.

- Improving the relationship of education to work and careers.

- Improving the capability of state and local education systems to solve education problems.

- Increasing diversity in American Education.

## Authorizing Legislation

| Legislation | 1975<br>Authorized | 1975<br>Appropriation Requested |
|---|---|---|
| General Education Provisions Act: | | |
| Part A -- Section 405 | | |
| National Institute of Education | 1/ | $130,000,000 |

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1/ $550,000,000 authorized for a three-year period beginning Fiscal Year 1973 remains available for fiscal years 1974 and 1975.

## Appropriation History Table

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1973 | $142,671,000 | $142,671,000 | $142,671,000 | $142,671,000 |
| 1974 | 162,197,000 | 142,671,000 | 75,000,000 | 75,000,000 |
| Proposed Supplemental | 25,700,000* | | | |
| 1975 | 130,000,000 | | | |

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* Includes $700,000 proposed transfer from Library Resources for civilian pay raises.

## JUSTIFICATION

## National Institute of Education

| | 1974 | | 1975 | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Personnel compensation and benefits | 430 | $ 8,233,000 | 480 | $ 9,376,000 | +50 | +$ 1,143,000 |
| Other expenses | --- | 92,356,000 | --- | 120,624,000 | --- | + 28,268,000 |
| Total | 430 | $100,589,000 | 480 | $130,000,000 | +50 | +$29,411,000 |

### General Statement

The National Institute of Education is requesting $130,000,000 for fiscal year 1975. If approved, this would be an increase of $29,411,000 over the estimated fiscal year 1974 level of $100,589,000.

A. Purpose -- The National Institute of Education (NIE) was established to help solve the problems of American education through the use of research and development. NIE's enabling legislation declares it to be the policy of the United States "to provide every person an equal opportunity to receive an education of high quality regardless of his race, color, religion, sex, national origin or social class." Congress also declared that "the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process..." NIE has been established to provide this leadership.

B. National Council on Educational Research -- NIE's general policy-making body is the National Council on Educational Research (NCER). The Council is composed of 15 members of the public, appointed by the President and confirmed by the Senate. The Council held its first official meeting on July 10, 1973, and has been meeting about once a month since July.

C. Priorities -- The Council has adopted five priority areas as the central focus of the Institute's activities for Fiscal Years 1974 and 1975. Programs to carry out these priorities will consume a major portion of the Institute's funding and personnel resources. The five areas are:

1. The provision of essential skills to all individuals with a special emphasis on reading;
2. The improvement of the productivity of resources in the educational system;
3. Understanding and improving the relationship of education to work and careers;
4. The development of a problem-solving capacity in education systems at the State and local level; and
5. Increasing diversity in American education.

D. Dissemination -- One of the Institute's major responsibilities is to try to assure that the products of educational experimentation are effectively transmitted to teachers, students, local school boards and governmental officials who are dealing with day-to-day problems of American education. NIE must help in finding ways to discover good practice in American education and assist schools to become aware of such good practices. Accordingly, one section of the following budget submission deals with NIE's activities in this area.

E. Transferred Programs -- NIE was established in Fiscal Year 1973 with a number of programs transferred to it from the Office of Education. Additional programs were transferred to NIE from OE and the Office of Economic Opportunity in Fiscal Year 1974. The Institute has reviewed these programs to determine their relevance to the agency's mission and goals. They constitute a substantial percentage of the Institute's total program as shown in the following table:

Funds going to Inherited Programs

| FY 1974 Estimate | | FY 1975 Estimate | |
|---|---|---|---|
| $65,262,000 | 73% | $68,600,000 | 59% |

F. Perspectives -- Research and development in the social sciences in general, and in education in particular, is a long-term, complex process that should involve both researchers and practitioners. There are no quick or easy solutions in this area. The Institute is attempting, however, to focus its attention on relevant problems and move in an orderly way to obtain results of use to the American educational community. There are many different perspectives in which the Institute's activities can be viewed, many categories which cut across the priority areas which have structured this budget submission. This budget submission portrays one way of looking at the Institute's activities.

The following shows some other ways of categorizing the Institute's activities:

| | (Dollars in Millions) | |
|---|---|---|
| Activities | FY 1974 Estimate | FY 1975 Estimate |
| Pre-School | $ 6,391 | $ 6,466 |
| Elementary and Secondary | 47,536 | 62,243 |
| Post-Secondary | 7,426 | 5,588 |
| School Based | 25,674 | 18,299 |
| Bilingual | 3,145 | 3,732 |
| Disadvantaged | 19,196 | 31,416 |
| Women's Studies | 733 | 3,552 |
| Native American Activities | 897 | 823 |

The funds for these areas cut across the Institute's current priority programs. They are, nevertheless, important activities being conducted by NIE and indicate the many perspectives from which R&D can be viewed.

G. Fiscal Year 1975 Request -- The NIE Fiscal Year 1975 Budget request of $130,000,000 contains three types of proposed program activities.

1. $68,600,000 is proposed for the continuation of funding commitments to grantees and contractors in programs transferred to NIE from OE and OEO;

2. $48,500,000 is proposed for new activities and for continuation of new activities to be undertaken during Fiscal Year 1974. Of this amount $28,350,000 is allocated to programs in NIE's priority areas and $20,150,000 is allocated to dissemination and research activities. NIE's National Council passed a resolution approving this proposed use of the Fiscal Year 1975 funds in its meeting on January 31, 1974.

3. $12,900,000 is proposed for salaries and related expenses of 480 positions and for support of the National Council for Educational Research.

A summary of the major program activities and budget estimates is as follows:

National Institute of Education

| | FY 1974 Estimate | FY 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| I. DEVELOPMENT.................. | $50,819,000 | $66,732,000 | +$15,913,000 |
| II. RESEARCH...................... | 30,533,000 | 37,518,000 | + 6,985,000 |
| III. DISSEMINATION................. | 8,678,000 | 12,850,000 | + 4,172,000 |
| IV. PROGRAM DIRECTION AND ADMINISTRATION............. | 10,559,000 | 12,900,000 | + 2,341,000 |
| TOTAL | $100,589,000 | $130,000,000 | +$29,411,000 |

| | FY 1974 Estimate | FY 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| I. DEVELOPMENT: | | | |
| A. Productivity | $10,121,000 | $16,458,000 | +$ 6,337,000 |
| B. Education/Work | 16,813,000 | 21,293,000 | + 4,480,000 |
| C. Problem Solving | 7,226,000 | 8,638,000 | + 1,412,000 |
| D. Diversity | 16,659,000 | 20,343,000 | + 3,684,000 |
| Total Development | $50,819,000 | $66,732,000 | +$15,913,000 |

## General Statement

This section of the budget justification contains descriptions of four of NIE's five priority areas: (1) improving the productivity of resources in the educational system; (2) understanding and improving the relationship of education to work and careers; (3) developing a problem-solving capacity in education at the State and Local level; and (4) increasing diversity in American education. The fifth priority which is the provision of essential skills to all individuals is included in the section on research.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| A. Productivity | | | |
| 1. Economic Analysis | $1,060,000 | $1,700,000 | +$ 640,000 |
| 2. Applications of Modern Communications Technology | 9,061,000 | 14,758,000 | +$5,697,000 |
| | $10,121,000 | $16,458,000 | +$6,337,000 |

## Program Purpose

The last two decades have witnessed a massive increase in the nation's aggregate expenditures for education. From just less than $9 billion in 1950, education expenditures rose to an estimated $90 billion in 1973. While some 40 percent of this increase in expenditures can be attributed to increased enrollments and an additional 25 percent to price increases generally, the remaining 35 percent can be attributed to the rising levels of actual expenditures per pupil.

Accordingly, NIE's goal in this priority area is to assist the nation in meeting its commitment to quality education at a price it can afford, through research and development activities that will lead to improvements in the productivity and efficiency of the education system.

Two approaches are being used to address this priority:

--economic analysis designed to improve our understanding of the use of productivity concepts and technology in education.

--experiments in improving productivity through the use of modern communications technology.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Economic Analysis | $1,060,000 | $1,700,000 | +$ 640,000 |

During fiscal year 1975, NIE will support two activities designed to improve understanding of the use of productivity concepts and technology in education. First, grants will be awarded for research proposals addressed to issues such as:

- education through modern systems such as television and computers at a cost that school systems can afford;
- historical changes in education costs and educational attainment;
- economic efficiency concepts and measurements applied to questions in school finance, school management decisions, and public policy problems;
- institutional incentives for productivity and efficiency; the efficiency and productivity of educational institutions as compared with other public and private services.

An estimated $1,000,000 will be used for these studies in Fiscal Year 1975.

Second, some of the recommendations of a study of the need for and the opportunities in home instruction using television and two-way computer terminals will be implemented. The study was completed in 1974 at a cost of $60,000. Implementation in Fiscal Year 1975 is estimated to cost $700,000.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Applications of Modern Communications Technology | $9,061,000 | $14,758,000 | +$5,697,000 |

The objective of activities in this area is to develop and expand the use of modern devices such as television, audio cassettes, video tapes, telephones and films in combinations with teachers, counselors and aides to provide education in a variety of settings such as homes, schools, resource centers and work places. Two examples are:

- The Communications Satellite Program designed to transmit education programs through audio and video signals to Appalachia, the Rocky Mountains and Alaska where geography makes less sophisticated communication difficult.

- The Televised Instruction Program which in 1974 evaluated the impact of televised and computer assisted instruction on the reading achievement of elementary school students. Some of the recommendations of that evaluation will be implemented in Fiscal Year 1975.

An amount of $14,758,000 is requested for developing the use of modern technology for education in Fiscal Year 1975. This amount is an increase of $5,697,000 over Fiscal Year 1974 to permit accelerated development of curricula materials in three of the projects already underway.

## Accomplishments for Fiscal Years 1973/1974

In the Open Learning System Project designed to offer college courses at home or in regional centers via ETV and other means, the following was accomplished in 1973 and 1974:

- a complete library of information on open learning systems was developed;
- interviews were conducted in representative cities and analyzed; they found a target population for a program such as the Open Learning System that includes: high school seniors wanting to get a head start on college; housewives wanting to develop skills for future careers; middle-aged individuals considering career changes and older citizens seeking personal enrichment;
- legal positions on copyright problems related to course materials were developed;
- course materials in Accounting and Psychology were designed, produced and field tested and reactions were solicited from high school seniors and older adults.

Also in 1973 and 1974 the Institute developed and tested program designs, and instructional materials for several programs which include:

- the communications satellite experiments in Appalachia, the Rocky Mountains and Alaska
- the Computer Technology Program of the Northwest Regional Laboratory intended to demonstrate and encourage the use of computers for education, and
- the Marketable Preschool Education Program intended to serve the educational needs of 3 to 5 year old children in rural Appalachia through a television series.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| B. Education/Work | | | |
| 1. Understanding Relationship | $2,688,000 | $2,650,000 | - $ 38,000 |
| 2. Access to Career by Youth | 12,981,000 | 9,743,000 | -3,238,000 |
| 3. Progression in Careers among Adults | 1,144,000 | 8,900,000 | +7,756,000 |
| Total Education/Work | $16.813,000 | $21,293,000 | +$4,480,000 |

## Program Purpose

National polls, statistical surveys and research documents reflect the belief of the American people that education and economic opportunity are related.

Despite repeated calls to improve the ability of schools to help children meet career objectives and to develop new approaches to relate learning and work, there are also persistent questions about the capacity of formal education to influence an individual's economic future.

NIE's plans, therefore, call for activities to:

1. Improve our understanding of the relationship between education and work.

2. Improve access to careers by improving the contribution of education to career awareness thereby helping young people make wise career choices, prepare for and obtain jobs.

3. Improve progression in careers by improving career choices among adults starting second careers, or preparing for advanced positions, and by examining the responsiveness of education to the career-related needs of adults.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Understanding the relationship between education and work | $2,688,000 | $2,650,000 | -$ 38,000 |

One of the more controversial issues in education is the influence of schooling on children's future occupational success. There is a widely held belief that as individuals increase their education their career options are increased, as well as their ability to earn higher income and more desirable jobs. Some research suggests that the amount of formal education individuals complete is strongly influenced by their parents' education, occupation and income. Other studies suggest, however, that neither family background nor schooling explain many individual differences in occupational attainment.

In fiscal year 1975, NIE requests $2,650,000 to support several activities to better understand the relationship between education and work. The major activity will be 10-15 research projects on issues such as.

- the interactions between work, school and community activities--such as years of schooling and adult life success.
- the integration of labor market analyses with educational problems -- such as supply and demand for individuals with different educational attainments and types of skills.
- the success of formal education in preparing individuals for adult responsibilities --such as the adequacy of present educational preparation for job entry and progression.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Access to Careers for Youth | $12,981,000 | $9,743,000 | -$3,238,000 |

Access to jobs that lead to successful and satisfying adult careers is a major problem facing youth. At appropriate stages in their development, education and career related services must provide children and youth with:

- general and specific skills;
- information, including guidance and counseling, about careers and the job market
- credentials needed for job entry, and for early and continuing education, and
- placement.

During Fiscal Year 1975, NIE requests $2,981,000 to support several projects designed to provide youth with more information about careers and jobs. One of these projects is the development of a program for systematically upgrading and evaluating guidance programs. Its objective is to enable schools to design guidance programs which will use the resources of school and community in responding to the unique needs of students.

Additionally, $6,872,000 is requested for programs to design, test and implement educational settings where the provision of work experience, career information and job skills are emphasized.

- One of these programs focusing on the provision of work experience is a joint effort of 100 researchers, 350 high school students, 200 employers, and almost 1,000 workers in four states. The enrolled students are learning about the world of work by participating in the daily activities of a variety of businesses and corporations. They will acquire not only general and specific skills but also improve their decision-making ability, self-management, and ability to deal with other persons in a variety of roles and circumstances. In fiscal year 1975, the prototype of this Experienced Based Career Education (EBCE) will be evaluated in a performance test.

The decrease of $3,238,000 in the access to careers for youth area results from two major projects not requiring additional funds in Fiscal Year 1975.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 3. Progression in Careers Among Adults | $1,144,000 | $8,900,000 | +$7,756,000 |

Surveys, research and more anecodotal reports suggest that there are at least four major circumstances in which people seek career changes. In each case, education can be of valuable assistance in making a change. These circumstances are:

- dead-end or undesirable jobs.
- the wish to seek the challenge of a different career.
- the wish to move upward within the same profession.
- occupations where technological or other changes create a labor over supply.

In 1975, NIE proposes to continue two activities estimated to cost $7,800,000 and to initiate two new ones estimated to cost $1,100,000. The request of $8,900,000 is an increase of $7,756,000 over fiscal year 1974 in order to expand the current activities and add the new ones. The four activities address the educational needs of people who find themselves in one or more of the circumstances that encourage career change.

One of the current projects focuses on people who are likely to be in dead-end or undesirable jobs because of their lack of desired job skills. The project is:

The Mountain Plains (Glasgow, Montana) rural residential program for multi-problem families has served over 380 families or about 1,440 individuals since it began operations in spring of 1972. The program provides low-income families from rural areas, with career education in a residential setting, to improve their employability and quality of life. Approximately $12,000 per family is needed to provide educational and human development services.

If the early data remain substantiated as we follow people who have participated and if operational costs can be reduced, the family-centered, residential approach could be a cost/effective alternative to welfare or marginal dependency for individuals with severe employment problems.

## Education to work Accomplishments for fiscal years 1973/1974

In fiscal year 1973, NIE continued the operation of four Career Education Models transferred from the U.S. Office of Education. Evaluation of each was undertaken leading in 1974 to improved program effectiveness, expanded documentation of their process, costs and outcomes, and a quickened pace for development and dissemination of products useful to practitioners.

In 1974, 3,000 elementary and secondary school children participated in the Comprehensive Career Education Models Program (CCEM) in six States. These children increased their awareness of careers and learned about the world of work while learning arithmetic, history, science and physical education.

Also in 1974, NIE:

- o Completed field testing and revision of 45 career education curriculum models.
- o Published the first U.S. book in cross national studies of ways to finance recurrent education.
- o Published a series of resource guides for practitioners in career education programs.
- o Completed designs for 7 units of career decision materials now being tested in 26 sites including a Neighborhood College, inner city schools and schools in 8 states.
- o Completed a study on reduction of sex-stereotyped career choices.
- o Initiated a cooperative national study with Department of Labor (DOL), to increase the usefulness of their manpower surveys, for the planning and content of vocational education programs.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| C. PROBLEM SOLVING | | | |
| 1. Developing materials and techniques | $3,671,000 | $2,638,000 | -$1,033,000 |
| 2. Organizational strategies for school improvement | 1,000,000 | 3,000,000 | + 2,000,000 |
| 3. Special Projects | 2,555,000 | 3,000,000 | + 445,000 |
| Total | $7,226,000 | $8,638,000 | +$1,412,000 |

## Program Purpose

The Institute's objectives are to develop and demonstrate those systems which will help establish and maintain effective problem-solving capacity at the State and local education levels. The following major activities are being pursued by NIE:

- development of materials and techniques to assist school systems in problem-solving activities
- research into organizational strategies for school improvement
- adoption of special projects which offer promise of developing local problem solving capacity

## Plans for fiscal year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Developing Materials and Techniques to Aid School Problem-Solving | $3,671,000 | $2,638,000 | -$1,033,000 |

A major concentration of resources in this program is centered on developing new educational information materials and techniques for helping educators to analyze the problems which confront them, respond to the needs of the public they serve, plan and select among alternative courses of action, effectively manage their programs, evaluate their success, and refine the decisions they make. In Fiscal Year 1975, five projects totalling $2,638,000 will receive continuation support from the Institute to carry out this type of development. The decrease of $1,033,000 from Fiscal Year 1974 in this activity area represents the reduced continuation costs of two ongoing projects.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Organizational Strategies for School Improvement | $1,000,000 | $3,000,000 | +$2,000,000 |

The purpose of this program is to learn how schools and school systems can build and sustain organizational capacity for self-improvement. For Fiscal Year 1975, $3,000,000 or an increase of $2,000,000 over Fiscal Year 1974 has been budgeted for the expansion of current activities and the initiation of new ones. Those activities include:

- second year funding of three-year grants, which are proposed to support organizational approaches that promote ongoing self-improvement for individual schools (or clusters of schools) serving students from low income urban families ($1,000,000).
- grants to school districts interested in experimenting with a number of new techniques in school management and planning aimed toward solving district level problems ($1,600,000).
- approximately eight grants are proposed to explore ways for the general public to become more knowledgeable about and active in the operations of their schools. Such awards will support the development, staff training and evaluation of community information and service centers ($400,000).

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 3. Special Projects | $2,555,000 | $3,000,000 | +$ 445,000 |

Activities in this area reflect diverse ideas that hold promise for developing local problem solving capacity. A flexible approach is intended so that activities will change as new ideas emerge. In Fiscal Year 1975, the following three activities are being continued.

- The Teachers Helping Teachers Program is designed to identify teachers who have developed effective classroom innovations, and to help them disseminate those innovations to other teachers in their States.

- The Unusually Effective Schools Program is designed to identify and study schools which have consistently achieved greater academic gains for their students-particularly those in low income areas - than comparable schools serving children of the same background and ability. This four year program was started in 1974 with an initial cost of $250,000 for planning. In Fiscal Year 1975, funds are requested to administer the measurement instrument in a sample number of schools and to identify those schools with superior performance records. The third and fourth year of the program will concentrate on studying these schools, through observational and experimental methods, to determine what factors i.e., school organization, curriculum, teachers and teaching characteristics, may have contributed to the schools success. Such information will than be disseminated to educational decision makers ($1,000,000).

- In Fiscal Year 1975, as in Fiscal Year 1974, NIE will fund a grants program to research the organizational, psychological, economic, social and other factors that affect the process of change in schools. Proposals will be invited from as wide a spectrum as possible including local education agencies, State Education Agencies, university scholars and others ($1,000,000).

## Local State Problem Solving Accomplishments for Fiscal Year 1973/1974

Eight projects conducted at five educational labs or centers were involved in developing, testing and packaging curriculum and training materials for teachers, principals, administrators, students and parents. These materials are all designed to develop problem-solving skills at the local education level. Two examples are:

- o The Far West Laboratory completed a program in 1974 to develop materials for principals, superintendents, school board members and others. The materials, which provide guidance on planning, choosing, initiating and evaluating educational programs are currently being tried in nine California schools.

- o Research for Better Schools developed a school district planning guide for resource allocation, a cost effectiveness guide, and a kit for administrators who want to be informed about community concerns related to the curriculum.

In 1974, the Teachers Helping Teachers Program got underway with the preparation of plans for the competition to select pilot States, and the adoption of procedures to identify teachers who have developed effective classroom innovations. Initial program designing for the Unusually Effective Schools Program was also undertaken in 1974.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| D. Diversity | | | |
| 1. Experimental Schools | $3,550,000 | $5,048,000 | +$1,498,000 |
| 2. Education Vouchers | 7,037,000 | 7,400,000 | + 363,000 |
| 3. Multicultural | 3,205,000 | 3,039,000 | - 166,000 |
| 4. Handicapped | 1,867,000 | 3,856,000 | + 1,989,000 |
| 5. Research Grants | 1,000,000 | 1,000,000 | --- |
| Total | $16,659,000 | $20,343,000 | +$3,684,000 |

## Program Purpose

The programs in this priority area are designed to increase the capacity of the education system to meet the educational needs and desires of students, parents, communities, and society generally. Teachers have always tried to meet individual needs among students in their classrooms; however, standard class sizes and procedures make such attempts difficult. Yet research indicates that children do learn differently. For example, children react differently to teachers; some learn better in open classrooms, some in traditional settings; some favor computerized instruction others "live" teaching.

Children who speak dialects of English or foreign languages also, require specialized instruction that both teaches them the skills required to function in an English-speaking society as well as preserve pride and awareness of their own cultural and ethnic backgrounds. At the same time, there are demands for alternative structures of education that provide parents, teachers, and principals greater say in the form of education that is provided in a community and greater choice in the content and style of education available.

This NIE program supports research and development to address these diverse needs. It falls into five areas: experimental schools, education vouchers, multicultural/multilingual programs, activities related to the needs of the handicapped, and a research grants program similar to those in the other four priority areas.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Experimental Schools | $3,550,000 | $5,048,000 | +$1,498,000 |

The Experimental Schools Program is testing the hypothesis tha significant and lasting improvements in education, beyond those made possible by piecemeal innovative elements, are more likely to occur if comprehensive changes are introduced into all elements of a school system. These changes would deal with curriculum, approaches to instruction, organization, governing systems, and the relationship between schools and the community. The important elements of the program as originally implemented are that:

- school districts analyze their own problems and devise their own solutions.
- the choice of curriculum, organization, staffing and internal evaluation are the choice of local school personnel and the community -- not the Federal Government.
- the target population is large enough for the experiment to be significant but small enough to be thoroughly evaluated and documented. The target population also should include all grades from kindergarten through high school.
- projects are to last for five years to allow for both continuity and internal integrity while possible alternatives are being tested and retested.

The Fiscal Year 1975 budget requests $5,048,000 to refund the following existing experimental school projects. These are:

- Piedmont Schools Project in Greenville, South Carolina seeks to improve education in a rural, poor, multi-ethnic school district through more individualized curriculum, a closer relationship between students and teachers, more vocational preparation and broader involvement with the local community.
- National Urban League Street Academy Projects in Oakland, California, South Bend, Indiana and Washington, D.C. serve primarily drop-outs and other students, between the ages of 15 and 22, who are not being served adequately by their local school systems. The objectives are to give a thorough, well researched test of the "Street Academy" concept, and to test the feasibility of the Street Academy as an alternative program within the local public schools.

- Experimental Schools Program is designed to ensure that the experiences gained in the program will be integrated and analyzed to make a maximal contribution in addressing problems of national significance in public education. In Fiscal Year 1975, five policy research studies will be undertaken to analyze the Experimental Schools experience in terms of a particular public policy or issue. Examples of major issues that might comprise the Fiscal Year 1975 studies are:

- Strategies for change in school districts
- Effects of individualized instruction on pupil performance
- Response to educational needs of minority students
- Administering educational change in the Federal, State and local sectors
- Instructional strategies in relation to affective - cognitive development
- Educational Innovation in Small Rural Schools

Each of the above could constitute an area of study.

The increase of $1,496,000 in Fiscal Year 1975 over the Fiscal Year 1974 level is due to the experimental schools program funding cycle rather than an increase in program effort.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Voucher Experiment | $7,037,000 | $7,400,000 | +$ 363,000 |

The only voucher project now underway is in the Alum Rock School District, an ethnically mixed, poor section of San Jose, California. The program currently involves 9,000 children in 13 public schools, grades kindergarten through eight. Preliminary results are encouraging. Community reaction is positive. Teachers have either responded positively or reserved judgement. Alum Rock seems to demonstrate that a regulated compensatory voucher plan limited to public schools, in a willing and integrated community, stimulates an increase in school diversity and parent choice without undue disruption or administrative difficulty. To continue this project an amount of $3,900,000 is requested in Fiscal Year 1975, $2,700,000 to fund another year's operation of the project and $1,200,000 to continue data collection and analysis which provide essential feedback on the experiment.

Alum Rock has worked well enough so that testing of other voucher models under diverse conditions is appropriate. Planning and feasibility studies are underway at the New Hampshire State Department of Education and East Hartford, Connecticut. Funds are included in the 1974 appropriation for one additional operational voucher project to get underway in 1974 in either New Hampshire or East Hartford subject to review and approval by the National Council for Educational Research. $1,900,000 is requested in Fiscal Year 1975 for the second year's operation of that project. The award would be in addition to existing revenues for the local district and would help to finance administrative and operational costs. Finally, $1,600,000 is requested to supplement the local district revenues at a third voucher site, which will begin operations in the 1975/76 school year.

The following table summarizes the 1974 and 1975 proposed budgets for Voucher experiment.

Dollars in Millions

| | 1974 Estimate | 1975 Estimate |
|---|---|---|
| 1. Alum Rock | $ 4.2 | $ 3.9 |
| 2. Site 2 | 2.7 | 1.9 |
| 3. Site 3 | .1 | 1.6 |
| Total | $ 7.0 | $ 7.4 |

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 3. Multicultural | $3,205,000 | $3,039,000 | -$166,000 |

American society encompasses people with a wide variety of languages and cultures. Any school system that seeks to educate such a society will encounter unique educational problems. In its efforts to identify and address some of these problems NIE will continue in 1975 several projects currently underway. Three of these are:

- An Early Childhood Program which is supporting development and dissemination of instructional materials (and related staff support materials) designed to stimulate the intellectual, emotional, physical, and social development of three- to five- year-old poor, Spanish-speaking children.
- A Program on Teaching Students From Low-Income Areas is examining the relationship between a student's motivation to learn, his attentiveness toward a teacher and his achievement.
- Establishing and supporting two research efforts in cooperation with the Spanish speaking and native American research communities, which are trying to develop national research agendas and priorities which have consensual support in their respective communities. These agendas will inform NIE's research program for bilingual and multicultural education, and will be useful to Federal, State and local agencies in their research, program planning and policy analysis for multicultural education.

In fiscal year 1975, $3,039,000 is requested for the Institute's multicultural program.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 4. Handicapped | $ 1,867,000 | $3,856,000 | + $1,989,000 |

Recent national surveys show that teachers and education administrators continue to emphasize the need for improved means of diagnosing learning problems. Additionally, educational researchers and developers continue to stress two concerns, namely:

. the need for increased understanding of the individual and social factors which contribute to a child's learning ability, and

. the need for a solid foundation of knowledge on which programs of instruction addressing learning problems can be developed.

NIE will address these needs through:

. a program of grants for basic research and

. analyses of the usefulness of available R&D products for helping children with learning handicaps.

For these activities, $2,500,000 is requested in FY 1975. This is a requested increase of $1,100,000 over FY 1974 for increasing the number of grant awards and undertaking the analyses of R&D products.

The basic research grants program will solicit proposals in the following areas:

. Research on the causes and effects of individual (e.g., emotional disturbance) and environmental factors (e.g., impoverished neighborhoods), which significantly interfere with children's ability to learn and to relate to other people;

. Research which improves the measurement of learning disabilities and their causes.

NIE has initiated coordination of its work in this area with other Federal agencies conducting related work, such as NIH, NIMH, NINDS, NSF and the Bureau of Education for the Handicapped (USOE). The Institute's focus is on requiring basic knowledge which other agencies may use in their provision of educational services to children with learning disorders.

A second activity for the handicapped and for which an amount of $900,000 is requested in Fiscal Year 1975 is the testing of computer-based prosthetic systems for the handicapped, especially the blind. Prosthetic systems provide the handicapped capabilities which they do not otherwise have, such as geographic mobility for the shut-in, or rapid access to information for the blind. Like artificial limbs, computers can be a useful prosthetic tool for the handicapped. An increase of $860,000 over Fiscal Year 1974 is requested to implement plans designed in 1974. Additionally in Fiscal Year 1975, NIE requests $456,000 to continue 2 projects started by the U.S. Office of Education, that are also basic research on problems of teaching handicapped children.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 5. Research Grants | $1,000,000 | $1,000,000 | -0- |

In Fiscal Year 1975, NIE will again solicit research proposals and make awards for studies to increase the knowledge base about diversity in school programs. Some issues to be addressed are:

- analyses and comparison of strategies for the definition and provision of individualized curricula, instruction, evaluation and certification.
- racial, cultural, sex-role, or religious stereotyping or discrimination in institutions.
- the use and structuring of power, authority, and legal control in educational settings.
- the nature, manifestations, and implications of institutional or classroom "value and expectation climates."
- the patterns of emphasis among competing educational functions, including instruction, socialization, custody-control, certification, and selection.

Studies of these issues will be invited through NIE's research grants program. An estimated $1,000,000 will be used for these studies in Fiscal Year 1975.

## Diversity Accomplishments in Fiscal Years 1973/1974

In 1974, evaluation and documentation of all the experimental schools projects were continued. They are assessing the impact of the experimental schools on:

- student performance and attitudes
- school organization and
- communities.

The voucher project which got underway at Alum Rock, California in September 1972 with 4,000 student participants was expanded to 9,000 students in school year 1973-1974. Positive reactions from students, parents, teachers and community warranted the provision of awards by NIE in Fiscal Year 1974 to the New Hampshire State Department of Education and East Hartford, Connecticut for planning and feasibility studies as potential new voucher sites.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| II. Research | | | |
| A. Essential Skills | $ 8,409,000 | $11,962,000 | +$ 3,553,000 |
| B. Teaching and Curriculum | 18,243,000 | 15,871,000 | - 2,372,000 |
| C. Basic and Policy Studies | 3,881,000 | 9,685,000 | + 5,804,000 |
| Total Research | $30,533,000 | $37,518,000 | +$ 6,985,000 |

## General Statement

This section of the budget justification contains the description for the 5th priority area (essential skills), teaching and curriculum programs and basic and policy studies on educational problems of national concern. These activities are research-oriented involving investigation and experimentation.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| A. Essential Skills | | | |
| (1) Building Knowledge of the Reading Process | $1,927,000 | $ 4,482,000 | +$2,555,000 |
| (2) Acquiring Reading Skills | 5,730,000 | 5,841,000 | + 111,000 |
| (3) Acquiring Mathematical Competancies | 752,000 | 1,639,000 | + 887,000 |
| | $8,409,000 | $11,962,000 | +$3,553,000 |

## Program Purposes

The Program on Essential Skills (the Institute's 5th priority) addresses the problem that substantial numbers of American citizens do not have the reading, mathematical and social competencies required for them to lead productive lives.

Steady progress has been made toward understanding the learning processes required to develop early reading skills, yet little is known about the problems of those who fail to progress beyond a very elementary level, about those with special learning problems or about those with minority backgrounds. In mathematics instruction, despite a major instructional revolution during the past decade, problems are still being experienced by poor and minority children in the acquisition of mathematical skills.

NIE will address these problems through three basic approaches:

- Building knowledge of the reading process
- Analyzing plans and methods for acquiring reading skills
- Analyzing strategies for acquiring mathematical competencies

## Plans for fiscal year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Building Knowledge of the Reading Process | $1,927,000 | $4,482,000 | +$2,555,000 |

The 1975 program to build new knowledge of the reading process will be carried out in four ways.

First, NIE Research Grants Program will again invite research proposals in areas where the present knowledge base is inadequate. Some of those are:

- The nature and effects of non-school influences-- such as family and community -- on motivation, competence, performance, and attitude in the use of language
- the effects of variation in school environment and teaching methods -- such as open or highly structured classrooms and peer tutoring -- on motivation, performance, competence and attitutde in the use of language
- the fundamental cognitive process in reading, writing and comprehension and their relation to learning and instruction in the use of language
- the relationship among student characteristics-- such as learning style, attention and motivation-- and performance, competence and attitude in the use of language.

For awards in these areas in Fiscal Year 1975, the budget requests ($1,000,000). For continuation of three projects in early childhood education ($182,000).

Second, four new activities in Fiscal Year 1975 will focus on the analysis of reading problems of children in the third, fourth, fifth, and sixth grades. At this level children begin to encounter difficulties in understanding what they read or in writing simple three or four line stories. NIE proposes such activities as analysis of skills used to understand different types of reading and computer simulation of reading comprehension ($1,200,000).

Third, Comprehension Planning for research into aspects of the reading process other than the middle grades will be completed by the fall of 1974. $2,000,000 is requested to implement some of the proposals from that planning process.

Finally, in building knowledge of the reading process, NIE will study reading comprehension problems of students entering post-secondary institutions with open enrollment policies, such as the City University of New York ($100,000).

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Analyzing Plans and Methods for Acquiring Reading Skills | $5,730,000 | $5,841,000 | +$111,000 |

In Fiscal Year 1975, NIE will fund at $5,841,000 the continuation of three projects attempting to develop reading skills in children. These projects provide an experiment whereby the plans and methods used can be watched and analyzed. An example follows:

- The Response to Educational Needs (D.C. Public Schools) Project is serving the needs of 20,000 students in the Anacostia area of Washington, D.C., focusing on improving reading and mathematics skills; documenting and evaluating procedures, costs, and other outcomes; and selecting innovations that can be duplicated in other inner city areas. In addition in a study of community changes related to this project as well as evaluations will be undertaken.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 3. Analyzing Strategies Acquiring Mathematical Competencies | $ 752,000 | $1,639,000 | +$887,000 |

The Institute in 1975 will fund four activities in the area of mathematical competence at an estimated cost of $1,639,000 or an increase of $882,000 over FY 1974 for the start of two new activities. The major activity follows:

- The Comprehensive School Mathematics Program, Central Midwestern Regional Educational Laboratory, is developing mathematics curricula for grades K-12 that address concerns expressed about both traditional and "new math" cirricula and build on the strength of both.

## Accomplishments for fiscal years 1973/1974

In 1973, $3,100,000 were awarded to 59 winning proposals for research in the area of essential skills.

- 40 of these proposals dealt with the fundamental cognitive processes in reading, writing, comprehension and their relation to learning and instruction in linguistic communication. For example, a study conducted at Wayne State University was concerned with determining which aspects of the reading process are universal, which are dependent on language differences; what special problems learners encounter in learning a second language; and where there is a difference between the learner's dialect and that of the school.
- The other 19 proposals also dealt with the learning of fundamental skills by children. They ranged from concern with issues such as the impact of open classrooms to the effects of infant starvation. The findings of these research projects are contributing to basic knowledge of the processes by which children acquire the essential skills.

In 1973 and 1974, 16 projects were being conducted by educational labs and centers across the nation. These projects have contributed not only basic knowledge about the process of learning fundamental skills, but also products such as curricula materials, new methods of school operation, new techniques and instructional aids for evaluation purposes; and aids to school districts to implement innovative programs.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| B. Teaching and Curriculum | | | |
| 1. Teaching Effectiveness and Evaluation | $7,535,000 | $4,835,000 | -$2,700,000 |
| 2. Curriculum | 10,708,000 | 11,036,000 | + 328,000 |
| TOTAL | $18,243,000 | $15,871,000 | -$2,372,000 |

## Program Purpose

Concern with effective instruction is an essential part of any effort to provide high quality education for all children. This concern is national. It is reflected in the recent adoption of laws in many States, that call for the development of systems to hold teachers and schools accountable for their effectiveness. For instruction to be effective, curriculum materials and teacher activities must be designed to accommodate the wide differences in interests, abilities, needs and backgrounds of children.

The NIE has responded to this national concern for improving the effectiveness of instruction by undertaking two major programs. These are:

- To improve the criteria for teacher selection and to design and evaluate training programs for improving teaching skills.
- To design and evaluate curricula to accommodate the needs, interests and abilities of students.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Teaching Effectiveness and Evaluation | $7,535,000 | $4,835,000 | -$2,700,000 |

In this area, NIE proposes 14 activities which include 12 new initiatives and 2 continuations.

The new initiatives are designed to:

- gather information for developing performance criteria to guide administrators in teacher selection
- evaluate the fairness and quality of current teacher selection procedures
- improve currently used measurements of student achievement

- o improve teacher skills in implementing new curricula and in responding to the individual needs of students
- o develop new measures in reading, math and social development
- o improve the procedures currently used in evaluating teaching results

The decrease of $2,700,000 in 1975 over 1974 for activities in this area reflects a reduction in total funds needed to fulfill prior commitments.

|  | Estimate | Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Curriculum | $10,708,000 | $11,033,000 | +$ 328,000 |

Five major projects designed to develop curriculum materials and ways of presenting them that will encourage students to learn will be continued in Fiscal Year 1975 at an estimated cost of $11,036,000. Two of these are:

- o The Adaptive Education Program at the Learning Research and Development Center in Pittsburgh, is developing curriculum materials and teaching procedures to help students in grades 1-8 learn reading and math at their own pace.
- o The Comprehensive Education Program at the Southeast Regional Laboratory is developing materials and teaching procedures to help elementary school children learn art, music, spelling and problem solving at their own pace and interest ($3,940,000).

The requested increase of $328,000 over fiscal year 1974 will permit the beginning of dissemination activities for curriculum materials whose development will be completed in 1975.

## Accomplishments for Fiscal Years 1973/1974

In both 1973 and 1974, projects supported by NIE in the area of teaching and curriculum have produced and are producing an abundance of products for use in schools. A brief description of some of these products follows:

- o The Improving Teaching Competencies Program at the Northwestern Regional Educational Laboratory has produced:
  - (1) an in-service training package for use by school administrators as they work with teachers to solve staffing and instructional problems in schools.
  - (2) a skill training program designed to help educational personnel assess their abilities and needs to work as a group.

(3) a training package designed to help teachers in their systematic planning for instructional activities in the classroom.

(4) training materials designed to assist educational personnel in improving team work in schools.

o The program on Teaching Effectiveness at the Far West Regional Laboratory has produced:

(1) in-service mini courses designed to assist teachers in managing classroom learning more effectively; in teaching reading by a decoding method; and in developing and guiding independent learning activities for students.

(2) three in-service courses designed to assist teachers in analyzing textbooks for the way issues on black students are presented; in stimulating student participation in the classroom; and in encouraging student learning activities in and out of the classroom.

o The Adaptive Education Program at the Learning Research and Development Center, University of Pittsburgh has produced the following:

(1) Revised individualized math materials including a teacher's manual.

(2) Field tested versions of the New Primary Grades Reading System and an associated teacher training program.

(3) Completed a report describing the content and management system of an Individualized Math Program grades K-6.

(4) Completed a computer-assisted instructional program in mathematical problem solving.

(5) Developed two levels of an Individualized Science Program and field tested one level.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| C. Basic and Policy Studies | | | |
| 1. Basic Studies | $1,485,000 | $6,885,000 | +$5,400,000 |
| 2. Policy Studies | 2,396,000 | 2,800,000 | + 404,000 |
| | $3,881,000 | $9,685,000 | +$5,804,000 |

## Program Purpose

Basic studies are intended to provide fundamental knowledge about the organization and practice of American education.

Policy studies are intended to provide scientifically researched information to assist in the making of policy decisions.

Basic and policy studies are conducted in three ways: (1) through directed studies conducted by NIE staff, grantees, contractors working under requirements established by NIE; (2) through problem-centered grants competitions under which researchers in the field design and conduct work in broad areas which NIE has identified as crucial to the building of a knowledge base for education; and (3) through programs of grants to support work defined and initiated by researchers in the field.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 1. Basic Studies | $1,485,000 | $6,885,000 | +$5,400,000 |

The single largest program activity in this area in Fiscal Year 1975 is a $5,000,000 research grant competition whereby high quality proposals from a variety of different perspectives including university based researchers, State and local departments of education, and research laboratories and centers are solicited by NIE staff and reviewed by staff and non-government experts. This program (included under basic studies) will fund research by professionals in selected disciplines such as law, economics, sociology and psychology as they relate to and complement education.

In addition to the $5,000,000 included under basic studies, the Fiscal Year 1975 budget request includes $1,000,000 targeted towards problems relevant to the 5 priority areas. Funds for and description of the requests are included within that section of this justification.

The impact of generating such activity in the field lies not only in the result of the projects funded, but in the involvement of the research community. By focusing research on NIE priorities, the Institute develops an awareness of and an involvement in those issues. As our conceptual framework unfolds, NIE will increase its ability to focus scarce research talent on the more significant problems facing American education through the research grants program.

Also included under basic studies are funds to obtain assistance for NIE's in-house research staff from outside contractors. A total of $1,885,000 is requested for this support in Fiscal Year 1975. Examples of concerns to be addressed are:

- Issues Resulting from Court Decisions
  Court decision upholding the requirement of delivering "adequate" education to all Americans or affecting the local control of schools (e.g. desegregation) highlight the need for precise definitions of what is "adequate" or what is the relation between state and local control of education. NIE proposes to support research in these and other such areas to more closely define the effects of court decisions on what is constitutionally right and wrong with American education.

- Sex Roles
  Lack of understanding of sex roles underlies a host of problems confronting American education today. In Fiscal Year 1974 NIE sponsored a series of studies inquiring into the basis, nature and process of sex role learning. In fiscal year 1975 NIE will continue that effort and move toward testing the empirical models developed and designed in 1974 to research the impact of sex role learning on socialization practices.

- Children's Rights in Education
  In recent years there has been an increasing awareness in Congress, in the courts, and in the public of the problem of institutional and personal disregard for the rights of children. NIE proposes to encourage experts from a number of disciplines to consider such topics as the legal status of the student, rights and responsibilities from the perspective of the student, deviant behavior in schools and the question of involuntary exclusion from school.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| 2. Policy Studies | $2,396,000 | $2,800,000 | +$ 404,000 |

Program plans in Fiscal Year 1975 for policy studies focus on 5 major issues totalling $2,800,000. Two of those issues are:

- School Finance
  Studies on the financing of education will be supported with emphasis on:

  (1) The relationship between educational expenditures and benefits received.

  (2) The distribution of educational costs among households.

  (3) The direct and indirect consequences of reforming the system of financing education.

- Post Secondary Education
  Two concerns are targeted in Fiscal Year 1975.

  (1) The court-ordered dismantling of dual systems of higher education in 17 States provides an important opportunity for studying the equality of access to education and the process of compliance with an externally-imposed order to change.

  (2) NIE will support theoretical and practical research into clearly defining the expected outcomes and ways of measuring the productivity of post secondary education.

## Program Accomplishments 1973/1974

The annual research grants competition was the major accomplishment of the Basic Studies program in 1973 and 1974.

In its first year the program funded 193 projects in nine categories (e.g. Social Thought and Process, Learning and Instruction) promising to increase our understanding about American education. In 1974 approximately 100 grants will be made targeted toward the five priority areas.

Basic and policy studies begun in 1974 include:

- School finance - methods for determining the effects of various revenue allocation plans
- Sex role learning - how sex roles develop and their impact on socialization practices
- Testing - improving traditional test and beginning to develop criterion - referenced tests
- School Desegregation Practices - a synthesis of previous desegregation research, the effects of desegregation on minority children, the trend of resegregation of desegregated schools

These studies provide the basis for more extensive research and testing of the models developed in Fiscal Year 1975.

Several lab and center projects were continued in 1973 and 1974 to:

- Develop ways of measuring growth of maturity
- Test the effectiveness of alternative mother - child teaching techniques
- Develop models of more effective management and governance practices for small four year, two year and black colleges.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| III. DISSEMINATION AND RESOURCES | | | |
| A. Information System Operation and Improvement | $4,513,000 | $7,100,000 | +$2,587,000 |
| B. Implementation | 3,450,000 | 3,000,000 | - 450,000 |
| C. R&D System Support | 465,000 | 2,050,000 | + 1,585,000 |
| D. Consumer Information | 250,000 | 700,000 | + 450,000 |
| Total Dissemination and Resources | $8,678,000 | $12,850,000 | +$4,172,000 |

## Program Purpose

The dissemination and resources effort is concerned with -- the development, operation and support of activities which help assure that the results of educational research and development are available to schools and colleges in forms that are useful to them; and -- the support of policies and programs to improve, continue, or develop the capability of personnel and institutions to perform education research and development.

This program incorporates activities to:

- improve education information and resource systems.
- develop more effective processes for informing teachers, principals, school administrators, school boards and local communities about the results of education R&D.
- develop policies and programs which will ensure adequate manpower, institutional resources and other systems to carry out an effective and efficient national education research and development program.

## Plans for Fiscal Year 1975

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| A. Information System Operation and Improvement | $4,513,000 | $7,100,000 | +$2,587,000 |

ERIC is a national network of 16 subject-oriented clearinghouses, each charged with the collection, screening, abstracting, and indexing of education literature, from research and practice, which falls within their subject area. An increase of $537,000 is requested over the Fiscal Year 1974 level of $3,963,000 to provide for processing of expected increases in information and the higher costs of current operations. Additionally, NIE proposes to implement, at a cost of $600,000, some of the recommendations of a major study of the ERIC systems undertaken in Fiscal Year 1974. That study was designed to identify information requirements of researchers, teachers, educational decision makers and others and the available information resources to meet these needs. ($5,100,000)

In order to increase local access not only to ERIC, but to other document and data files, NIE proposes a series of new activities:

- o Support of on-line interactive computer terminals in State education agencies for dissemination purposes.
- o Minimal level of operational support to State Agencies for their dissemination purposes.
- o Training series to assist librarians, information service staff, and other individuals to make more effective use of ERIC and other information sources.

Planning for these activities began in fiscal year 1974. Projected Fiscal Year 1975 costs are estimated at ($2,000,000).

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| B. Implementation | $3 450,000 | $3,000,000 | -$ 450,000 |

Activities in this program are intended to generate information about promising educational products and practices learned from NIE sponsored R&D. In Fiscal Year 1975, NIE proposes to support as many as fifteen proposals to plan and conduct intensive efforts to create awareness of high quality R&D products and assist schools in using them.

Following is an illustration of the kind of R&D outcome presently available from NIE grantees and contractors which might be funded under these programs for which $3,000,000 is requested in Fiscal Year 1975.

o The Marketable Preschool Education Program at the Appalachia Educational Laboratory (AEL) is an education television series for rural 3 to 5 year old children, that is supplemented by a home visitor and a mobile classroom unit. The TV series called Around the Bend, portrays a central figure who interacts with children to illustrate curriculum content. The home visitor is a paraprofessional, generally selected from the ethnic and cultural pattern of the target population and trained to introduce weekly lessons to the mother, who presents them to the child. The mobile classroom unit is staffed by a professional teacher and an aide who provide group educational experiences daily to the children. Evaluation at the end of three years showed marked gains in cognitive areas for participating children.

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| C. R&D System Support | $ 465,000 | $2,050,000 | +$1,585,000 |

In this area NIE has three objectives: (1) to determine the present status of the various R&D performers, (2) to improve the effectiveness of institutions, personnel and technology involved in R&D and (3) to strengthen researchers responsiveness to the needs of teachers, school administrators, and school policy-makers.

To achieve those objectives NIE proposes to undertake the following activities:

o collection and analysis of data concerning the status of educational R&D and its impact on educational practice ($1,425,000).

--A study of the different performers of educational R&D, their functions and relationships

  - --An analysis of the federal effort in support of educational R&D through the analysis of projects supported by the most relevant federal agencies.

- programs to strengthen elements of the R&D system ($625,000).
  - --to increase the participation of minority group members in educational R&D
  - --to promote the development of improved technologies for managing and conducting research and development
  - --to design improved strategies for strengthening the educational R&D system

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| D. Consumer Information | $ 250,000 | $ 700,000 | +$ 450,000 |

Activities in this program are intended to provide teachers, school board members, school administrators, and other educators with more and better consumer information about new or alternative educational programs, curricula, or practices which can be used to improve their schools. One of these activities is:

- An experiment involving up to 10 States, to identify promising school practices, verify their effectiveness and generate information about those practices in ways useful to others considering similar approaches.

## Accomplishments for fiscal years 1973/1974

In fiscal years 1973 and 1974, operation of the ERIC system was maintained. By the end of Calendar Year 1973, ERIC had acquired more than 110,000 education documents. In the same year, more than 14,000,000 copies of ERIC documents were sold to individuals, education agencies and other organizations. In 1974, NIE also completed a major study designed to identify information requirements of researchers, teachers, educational decision makers and others, and the available resources to meet those needs.

In 1974, NIE supported dissemination of exemplary R&D products which were developed with the Institute's assistance. Support was also provided to ten State Education Agencies, to develop and establish effective dissemination programs modelled after those developed in nine pilot States with funding from the U.S. Office of Education and NIE. The Institute sponsored fellowships in the techniques of education research and development for outstanding minority students, and initiated development of a fact book on education research and development.

| | FY 1974 Estimate | | FY 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| IV. PROGRAM DIRECTION AND ADMINISTRATION | | | | | | |
| A. Personnel Compensation and Benefits | 430 | $ 8,233,000 | 480 | $ 9,376,000 | +50 | +$1,143,000 |
| B. Related Personnel Expenses | - | 2,326,000 | - | 3,524,000 | - | + 1,198,000 |
| Total Program Direction and Administration | 430 | $10,559,000 | 480 | $12,900,000 | +50 | +$2,341,000 |

## General Statement

This section of the budget justification provides a description of NIE's staff requirements and related expenses to plan, develop, administer, and monitor external education research and development awards as well as support an in-house research program.

## Program Purpose

The tangible "products" of the Institute would include research reports, curricular materials, demonstration (training) models, papers to assist policy makers, analyses of school practice, and evaluation studies and information products. These "products" may be produced either with in-house resources (i.e. personnel, computers) external resources, or both. In terms of the total work of the agency most employment will be supported outside. A best guess figure of external employment with NIE requested Fiscal Year 1975 budget is 5,900 people compared with an NIE internal staff request of 480.

The in-house staff perform the following functions in connection with NIE's "products":

(A) Solicit, evaluate, process and award grants and contracts

(B) Monitor and evaluate the work of grantees and contractors

(C) Carry out planning studies, analyze and synthesize the findings of grantees and contractors as well as other researchers, developers and practitioners in order to assure the build up of knowledge and solutions to education problems and to identify new issues and trends.

(D) Conduct research, largely from secondary data.

## Plans for Fiscal Year 1975

Major management objectives for the Institute for Fiscal Year 1975 will focus on the priority programs which are:

- o Providing essential skills, such as reading to all citizens.
- o Improving the productivity of resources in education.
- o Improving the relationship of education to work and careers.
- o Improving the capability of state and local education systems to solve education problems.
- o Increasing diversity in American Education.

In addition, finding effective ways to get the products and knowledge gained through research and development into the hands of the teachers and local and state school officials is of equal importance.

Fiscal Year 1975 budget requests 50 full time positions above the 1974 level of 430. The distribution of these positions by major program function is as follows:

| Program Function | FY 1974 | FY 1975 | Increase |
|---|---|---|---|
| Development | 131 | 159 | +28 |
| Research | 112 | 124 | +12 |
| Dissemination and Resources | 39 | 47 | + 8 |
| Agency Management and Staff Support for Programs | 148 | 150 | + 2 |
| Total | 430 | 480 | +50 |

A number of variables are used in determining program and staff unit personnel needs. Among these are:

- Dollar levels of individual projects
- Number of grants and contracts
- Type of project i.e. planning a project vs disseminating a successful curriculum package
- Type of awardee i.e. school system vs private contractor

Illustrations of two such variables are:

| | 1974 Estimate | | 1975 Estimate | |
|---|---|---|---|---|
| Program Function | Program Dollars | Number of Projects | Program Dollars | Number of Projects |
| Development | $50,819,000 | 187 | $66,732,000 | 194 |
| Research | 30,533,000 | 117 | 37,518,000 | 234 |
| Dissemination and Resources | 8,678,000 | 56 | 12,850,000 | 64 |

Increases in both variables (program dollars and number of projects) are apparent.

The Fiscal Year 1975 budget requests $12,900,000 to support the 480 positions which is a $2,341 000 and 50 position increase over the 1974 level. The following table outlines those elements of increase.

(Dollars in thousands)

| | 1974 Estimate and Base FY 1975 Budget (1) | Reduction of lapse rate from 10% to a normal lapse rate of 4% (2) | General Service Administration Rent (3) | Estimate cost of 50 new Positions (4) | Total FY 1975 Request (1) thru (4) = (5) |
|---|---|---|---|---|---|
| o Full time Permanent Positions | 430 | - | - | 50 | 480 |
| o Permanent Man-Years Supported | 389 | 24 | - | 37 | 450 |
| o Other than permanent man years supported | 21 | - | - | - | 21 |
| o Payroll and related Benefits of NIE staff | $ 8,233 | $480 | - | $663 | $ 9,376 |
| o Related expenses of NIE staff | $ 2,326 | $111 | $800 | $287 | $ 3,524 |
| Total | $10,559 | $591 | $800 | $950 | $12,900 |
| Requested Increase | | | $2,341 | | |

Included in the above Fiscal Year 1975 estimate is $135,000 to support the National Council for Educational Research.

## Accomplishments 1973 1974

On August 1, 1972 the National Institute of Education officially became a federal agency with a legislative mandate "to seek to improve education ... in the United States." The following represents the accomplishments of the first 23 months:

- Creation of an organization structure
- Hiring of staff (some 80 people were the nucleus of NIE in August 1972. By June 30, 1974 some 430 permanent personnel will be on the payroll.)
- Reviewed and revised six major programs, involving 106 projects and 100 individual awardees, transferred from Office of Education and Office of Economic Opportunity.
- Developed and focused on 5 priority areas of R&D involving the active participation of representatives from 20 national organizations of school officials, unions, employers and government officials.
- Solicited and reviewed over 5,300 field generated research grant proposals. Of this, some 300 awards totaling $16 million were made.
- Received and answered approximately 2,400 pieces of correspondence.
- Visited a number of school systems to better understand problems and capabilities -- i.e. Dallas, Texas and Philadelphia, Pa.

## New Positions Requested
## Fiscal Year 1975

| | Grade | Number | Annual Salary |
|---|---|---|---|
| NIE Associate | GS-14 | 3 | $78,504 |
| NIE Associate | GS-13 | 10 | 223,280 |
| Education Program Specialist | GS-12 | 8 | 151,248 |
| Research Assistant | GS-11 | 8 | 126,880 |
| Research Assistant | GS- 9 | 6 | 78,972 |
| Program Assistant | GS- 7 | 7 | 75,516 |
| Secretary | GS- 6 | 5 | 48,580 |
| Secretary | GS- 5 | 2 | 17,444 |
| Clerk Typist | GS- 4 | 1 | 15,596 |
| Total new positions | | 50 | $816,020 |

## National Institute of Education

## Program Purpose and Accomplishments

| 1974 | | 1975 | | |
|---|---|---|---|---|
| | | | Budget Estimate | |
| Pos. | Amount | Authorization | Pos. | Amount |
| 430 | $100,700,000[1/] | [2/] | 480 | $130,000,000 |

**Purpose:** To strengthen and improve educational practice by conducting research and development activities at all levels of education.

**Explanation:** Educational research and development will be conducted primarily through grants and contracts to individuals, institutions, agencies and organizations. A limited amount of intramural research will also be conducted.

Accomplishments in 1974:

In 1974, the Institute established priorities for education research and development that were approved by the National Council for Educational Research. These priorities are:

- Providing essential skills, such as reading to all citizens.
- Improving the productivity of resources in education.
- Improving the relationship of education to work and careers.
- Improving the capability of state and local education systems to solve education problems.
- Increasing diversity in American Education.

Other examples of accomplishments in 1974:

- A series of resource guides for practitioners in career education programs was published.
- 45 career education curriculum models were field tested and revised.
- Designs were completed for 7 units of career decision materials that are now being tested in 26 sites including a Neighborhood College, inner city schools and schools in 8 States.

- A study on reduction of sex stereotyped career choices was completed.

- The first U.S. book in cross national studies of ways to finance recurrent education was published.

- A cooperative national study was initiated with the Department of Labor (DOL), to increase the usefulness of their manpower surveys, for the planning and content of vocational education programs.

- Versions of a New Primary grades Reading System and an associated teacher training program were field tested.

- A computer assisted instructional program in mathematical problem solving was completed.

- Program designs were developed and tested for the communication satellite experiments in Appalachia, the Rocky Mountains and Alaska.

- Materials were developed for principals and others, to assist them in planning and evaluating educational programs; these materials are currently being tried in nine California schools.

Objectives for 1975:

The Institute's objectives for 1975 will be directed through four areas of activity.

1. Development activities designed to increase the productivity of educational resources, improve the relationship of education to work and careers, improve the capability of state and local educational systems to solve educational problems, and increase diversity in American Education. The budget for these activities is $66,732,000.

2. Research activities addressed to these problems:

   - Many Americans do not have the reading and mathematical competencies required form them to lead productive lives.
   - Criteria for teacher selection are inadequate
   - Curricula often do not accommodate the needs, interests and abilities of students.

An amount of $37,518,000 has been requested for these research activities

3. Dissemination activities which seek to assure that the products of educational experimentation are effectively transmitted to teachers, students, local school boards and governmental officials who are dealing with the daily problems of American education. For these activities $12,850,000 are requested.

4. Program Director and Administrative activities performed by Institute personnel and designed to accomplish the Institute's mission. The budget of $12,900,000 for these activities will support a permanent staff of 480, the National Council on Educational Research and panels of consultants to evaluate research proposals.

1/ Includes proposed supplement of $25,700,000
2/ $550, 000,000 authorized for a three-year period beginning with Fiscal Year 1973.

WEDNESDAY, APRIL 24, 1974.

# OFFICE OF THE ASSISTANT SECRETARY FOR EDUCATION

## WITNESSES

**CHARLES B. SAUNDERS, JR., ACTING ASSISTANT SECRETARY FOR EDUCATION**
**VIRGINIA B. SMITH, DIRECTOR, FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION**
**CHARLES E. HANSEN, DIRECTOR OF ADMINISTRATION**
**JOHN W. ALDEN, SENIOR POLICY ANALYST**
**PHILIP E. AUSTIN, SENIOR POLICY ANALYST**
**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

Mr. FLOOD. The committee will come to order.

Now we have the Office of the Assistant Secretary for Education. The presentation will be made by Mr. Charles B. Saunders, Jr., Acting Assistant Secretary for Education.

Who do you have with you?

Mr. SAUNDERS. If I may, I will introduce my colleagues at the table. On my left is Charles Hansen, Director of Administration for the Assistant Secretary's Office; next to him are Phil Austin and John Alden of the Senior Policy Staff of Policy Development. On my right, appearing for the first time before this committee, is Dr. Virginia Smith, Director of the Fund for the Improvement of Postsecondary Education which we feel is probably the most interesting new program we have in the Education Division. On her right are Chuck Bunting, Planning Officer for the Fund and Russell Edgerton, Deputy Director for the Fund and of course you know Charlie Miller.

Mr. FLOOD. We will put your biographical sketch in the record.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH OF CHARLES B. SAUNDERS, JR.

Position: Acting Assistant Secretary for Education.

Birthplace and date: Boston, Mass., December 26, 1928.

Education: Bachelor's degree, Princeton University, Princeton, N.J., 1950.

Experience: Present: Acting Assistant Secretary for Education, DHEW; January 1973 to November 1973: Deputy Assistant Secretary for Education (Policy Communication), DHEW; 1971–73: Deputy Commissioner for External Relations, USOE; 1970–71: Acting Assistant Secretary for Legislation, DHEW; 1969–70: Deputy Assistant Secretary for Legislation, DHEW; 1961–69: Assistant to the President of Brookings Institution; 1959–61: Administrative Assistant to the Secretary of Health, Education, and Welfare; 1958–59: Assistant to the Assistant Secretary for Legislation, DHEW; 1957–58: Legislative Assistant to the late U.S. Senator H. Alexander Smith of New Jersey; 1955–57: Assistant Director of Public Information at Princeton University; 1953–55: Assistant Director of Public Relations for Trinity College, Hartford, Conn.; 1951–53: Education and Political Reporter for the Hartford (Conn.) Times; 1950–51: Education and Political Reporter for the Ogdensburg (N.Y.) Journal.

Publications: "Upgrading the American Police: Education and Training for Better Law Enforcement" (1970); "The Brookings Institution: A 50-Year History" (1966).

Mr. SAUNDERS. I have a brief statement I would like to read.

Mr. FLOOD. Suppose you do.

### OPENING STATEMENT

Mr. SAUNDERS. Mr. Chairman and members of the committee, I am pleased to be with you to discuss the proposed budget for the Office of the Assistant Secretary for Education. The proposal contains two basic elements—salaries and expenses, and support for the fund for the improvement of postsecondary education.

In reviewing the salaries and expenses request, you will notice a sharp increase in the category "Other services." This increase consists of two items: A proposed Bicentennial internship program, and a transfer of funds from the Office of Education to continue policy analysis activities begun by USOE several years ago.

The Bicentennial internship program is intended to make a significant contribution to citizen understanding of the role and contributions of the educational system in the development of the Nation. Its emphasis will be to encourage States to fulfill more effectively the educational needs of their citizens. The program, budgeted at $750,000, is designed to provide a suitable education component in the national observation of the Bicentennial year. In fiscal year 1975, we propose to fund teams of interns to help officials in each State assess the contributions that education has made to the State, examining its educational problems, and assemble information to help the State deal with those problems in the future. The program would be conducted by the four regional educational agencies designated by the American Revolution Bicentennial Administration to administer Federal Bicentennial internship programs. These agencies will nominate qualified candidates as interns for joint selection by the Education Division and the State education agencies which will share in the support and supervision of the teams. For the most part, the interns, who will spend from 6 to 9 months with the State agencies will be graduate students from varied disciplines such as history, sociology, education, humanities, and the arts. In general, the makeup of the intern teams will depend upon the special requirements and objectives of the respective States.

I would like to turn now to the policy analysis activities transferred from USOE. Under the Education Amendments of 1972, the Assistant Secretary for Education was assigned responsibility for education policy development and leadership within HEW. In order to provide the Assistant Secretary with a resource for in-depth and sustained policy analysis, two educational research policy centers which had been supported by the Office of Education were transferred to the Office of the Assistant Secretary during the second half of fiscal year 1974. The $950,000 requested will sustain the current funding level and continue this essential analytical support to the Education Division.

I welcome your questions now or, if you prefer, we can move directly to the fund for the improvement of postsecondary education.

### POSITIONS FILLED

Mr. FLOOD. For the Office of the Assistant Secretary for Education, 70 permanent positions are authorized there. How many are currently filled?

Mr. SAUNDERS. We have approximately 55 filed. We are asking for a total of 70, exactly what we asked for last year.

### NO PERMANENT ASSISTANT SECRETARY

Mr. FLOOD. This position you hold as Assistant Secretary for Education has been vacant since last October which is quite a long time in this league with all that is going on.

Mr. SAUNDERS. It has been a long time.

Mr. FLOOD. We have been laboring under the impression that this was a very important position—you can hardly blame us—Assistant Secretary for Education. We thought that would be very important in the field of education. I see the designation has finally been made, but why in the world did it take so long to fill this slot? Are there so many people so highly qualified just standing around?

Mr. SAUNDERS. That is probably one reason it took quite a bit of time. In all fairness, I don't think 6 months is a very unusual length of time. Dr. Marland's departure was November 1 and last week we announced the President's nomination.

Mr. FLOOD. Everybody knew about it sometime before that.

Mr. SAUNDERS. Not too long in advance. At any rate, it is my experience that the process of search and selection for an Assistant Secretary position typically takes 5 to 7 months.

Mr. FLOOD. Does that make it good?

Mr. SAUNDERS. No, it certainly doesn't. I just say that has been my experience.

Mr. FLOOD. How long have you been around?

Mr. SAUNDERS. I have been with HEW since 1969, and I was with HEW earlier in the Eisenhower administration.

### CONSULTANTS

Mr. FLOOD. How many consultants do you employ on the average?

Mr. SAUNDERS. In the Office of the Assistant Secretary?

Mr. FLOOD. We are talking about you, so we will stick to you.

Mr. SAUNDERS. We have very few, about three or four.

### INCREASE IN "OTHER SERVICES"

Mr. FLOOD. Here you have the budget showing a line item called "other services" amounting to $1.8 million. That is vague enough in itself, but that is about 300 percent over last year. It could be safely described as a huge amount.

Mr. SAUNDERS. As I point out in my statement, that increase is almost entirely a result of two programs: the Bicentennial and the policy centers. That accounts for the increase almost entirely. Those two functions represent an increase of $1.7 million in our budget.

### BICENTENNIAL INTERNSHIP PROGRAM

Mr. FLOOD. Bicentennial?

Mr. SAUNDERS. Yes.

Mr. FLOOD. Are you doing something about that?

Mr. SAUNDERS. We are hoping to. We expect to fund a series of internships in each of the States to help them do studies of their own educational problems and needs.

Mr. FLOOD. When is the Bicentennial?

Mr. SAUNDERS. 1975 and 1976 would be the observation.

Mr. FLOOD. They will have to be in a little hurry to dust this thing off.

Mr. SAUNDERS. No. I think 1976 is the culmination of the Bicentennial observation.

Mr. FLOOD. What would such a character do in the State of Nebraska about the Bicentennial—talk about the corn?

Mr. SAUNDERS. This would be up to the States. We would work with the State education agencies, and it would be up to them to decide what kind of a project they wanted to do.

Mr. FLOOD. Don't you think the States by this time should have more than a vague idea of what they are going to do about the Bicentennial?

Mr. SAUNDERS. I think we are finding just the opposite, Mr. Chairman. We have had very enthusiastic responses from the States for this project. We are funding four pilot projects in four States at the present time. We have attracted a great deal of attention from the States which see this as an opportunity to do some things they wouldn't ordinarily do—to stand off and have an independent group take a look at their programs and potentialities for future development of their educational systems, removed from the day-to-day operations. As I say, the response we have gotten to this proposal is very enthusiastic from the chief State school officers and from all of the States we have contacted.

Mr. FLOOD. Now you have an internship program and you want $750,000 for it. Agencies around here have been running internship programs and then they have been running internship programs in support of internship programs and then merely interns, not even programs, and you want $750,000 for what?

Mr. SAUNDERS. This is our Bicentennial project to fund the internships in each of the States.

Mr. FLOOD. They are internships?

Mr. SAUNDERS. Yes. In other words, another spinoff of the concept is that this will encourage a new group of able young scholars to get in and work with the States on their educational problems. We think this is one of the important possibilities.

Mr. FLOOD. Are you taking advantage of the Bicentennial for the purpose of doing something about arithmetic or talking about the Bicentennial program vis-a-vis its significance to the Nation?

Mr. SAUNDERS. It is a combination.

Mr. FLOOD. Here is a Bicentennial. What a good idea to get money for internships for something.

Mr. SAUNDERS. It is really a combination, Mr. Chairman. The three Bicentennial themes are designed to take a look at where we have come from in the past—our tradition in history; where we are now; and where we are going in the future—what our problems are that we need to deal with. It is in those three areas the studies are going to be helped by interns.

### EDUCATIONAL RESEARCH POLICY CENTERS

Mr. **Flood**. How did these Educational Research Policy Centers get started?

Mr. **Saunders**. These were started on a contract basis with the Office of Education in about 1968 or 1969. The two policy centers at Syracuse and Stanford were established by the Office of Education and continued doing work in several general areas of importance to us; namely, the disadvantaged, school finance, some work in higher education, and career education. We felt that when we established the Office of Assistant Secretary it was logical to move these functions from the Office of Education to the Office of the Assistant Secretary in order to help the Assistant Secretary carry out his general responsibilities for general direction of the Education Division.

Mr. **Flood**. You did nothing about it for 6 months then?

Mr. **Saunders**. The policy centers were transferred.

Mr. **Flood**. You don't need an Assistant Secretary. You were doing it. Is that it?

Mr. **Saunders**. I have been acting the last 6 month.

### REASON FOR STAFF OF 50

Mr. **Flood**. Now you have a nice, round, fat number of 50 people in your office. If you are so good and you have 50 people, I take for granted they have merit or they wouldn't be there. I think of a brigade headquarters in the line. The brigade is quite an outfit in the line, a pretty tough spot. Fifty people. Quite a headquarters.

There you are with 50 people. You want to contract with outside groups to help develop education policies. What are these people for, contract scouts, or do they do anything?

Mr. **Saunders**. Let me explain, Mr. Chairman, those 50 people we currently have on board include, to begin with, 15 people on the staff of the Fund for the Improvement of Postsecondary Education. That is an operating program.

Another five people are on the staff of the Federal Interagency Committee on Education, an interagency coordinating committee, and that is their full-time responsibility.

So we are now down to 30. You have roughly 10 to a dozen people in the immediate Office of the Assistant Secretary performing various duties including the handling of the correspondence and assignment of correspondence to all of the bureaus and offices throughout the Education Division.

There is a unit which takes care of administrative duties of roughly six people.

I guess the remainder are two remaining essential elements of the Office. One is the policy analysis function and two is the policy communications function, the public affairs function. We have to have somebody——

Mr. **Flood**. Yes, yes.

Mr. **Saunders**. Need I say more.

Mr. **Flood**. Fifty people sounds like a tough war down there.

### FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

You say you have 21 people who are administering the Fund for the Improvement of Postsecondary Education.

Mr. SAUNDERS. We are asking for 21. That is an increase of 6.

Mr. FLOOD. Yes. What do they do—look around for ways to spend money and the guy that spends the most gets a medal? Twenty-one people to administer this. Here is a fund and they are to administer the improvement of postsecondary education, and 21 people administering the fund. That is a good trick whether they do it or not.

Up goes the curtain now. Twenty-one people are administering the fund.

Mr. SAUNDERS. It is now at a strength of 15 and we are asking for an increase of 6.

Mr. FLOOD. We are talking about the 1975 budget which is 21.

Mr. SAUNDERS. The Fund, for example, during the current year had some 2,800 applications to review from institutions around the country, postsecondary institutions.

Mr. FLOOD. How many?

Mr. SAUNDERS. 2,800 applications. This is a staff that has been working long and hard, is very pressed to keep up with the demand for information and the project proposals that are coming in from the postsecondary community.

Mr. FLOOD. If you had 2,800 applications dealing with this subject, 2,748 are probably the same. Maybe some are different.

Mr. SAUNDERS. I would like to ask Dr. Smith to respond to your question. It may be appropriate at this time to have her present her prepared statement or pick up on your specific question.

Mr. FLOOD. Are there 2,800 world shattering ideas coming out of the 2,800 applications?

Miss SMITH. There aren't 2,800 world shattering ideas but probably about——

Mr. FLOOD. Twenty-eight?

Miss SMITH. There are more than 28. Out of 1,400 proposals last year we funded 89, and I think every one of those 89 proposals is a very solid project. They are projects that I really think will bring about improvement in the particular institutions and hopefully beyond the institutions to others.

We found there is tremendous interest in what is being done in these 89 projects. Every time we put one of the project directors on the platform in a national meeting there are many, many individuals who want to hear and learn from the activity.

I would say that the quality of the proposals this year is quite good, and out of the 2,800 we could easily fund probably 300 or 400 that are excellent proposals. We won't be able to because we don't have enough money. But there is a lot of interest in higher education at the moment in bringing about that kind of improvement that will help them better serve the students they are getting now.

As Congressman Michel mentioned the other day, some of the teachers in higher education do not actually know how they are supposed to respond to the new students they are getting, students without the same kind of skills they thought students would have. So there is a lot of faculty development that needs to be undertaken even for schools to be effective.

There is not a great deal of point in having access to higher education with funds going to students in order to get into institutions, if we can't at the same time be certain that the educational opportunity provided for them at the time they get in is one that will meet their educational needs.

Mr. Flood. These are actually training grants paid for with Federal funds to teach them how to teach?

Miss Smith. They are not to teach them how to teach because they all have credentials to begin with. What they are are grants to help them better develop programs and approaches that meet the needs of the students that they now have. They have the rudiments of what they are supposed to be doing but often they are not aware of the best type of program for the students they have.

Mr. Flood. Why not? How did they get there? They were a bright girl or boy?

Miss Smith. We are talking about postsecondary institutions, which are institutions that cover the whole range of education beyond high school. These are people who by and large I would say were educated for the purpose, they felt, of teaching more or less traditional college students.

We have open access to higher education, and many of the students we now have are older students, students who may not have the necessary skills, students who want different kinds of programs than the ones many of these people were trained for. Many of the kind of educational activities we have, have to be broader than disciplines and should be educational programs that are more concerned with the types of problems we have in the society today rather than toward fairly narrow discipline areas. To turn these programs around requires a certain amount of additional funds which many of the institutions at the moment do not have.

Mr. Flood. It sounds as though the best teachers for next year would be this year's graduating class.

Miss Smith. That is a possibility. As a matter of fact in at least three of our projects they are developing rather bold programs that redirect the entire institution. They direct the institution toward a process of combining knowledge, skill, and attitude in a way so that they are focusing on whether or not the student can perform when he graduates rather than whether or not he knows something. They want him to know something, but they want that combined with a particular kind of skill and attitude so he will be a very productive member of society so he can actually go out into the field and use the knowledge he has gained.

Mr. Flood. Does that apply to a liberal arts curriculum?

Miss Smith. Yes. As a matter of fact, our two programs that are perhaps the most sweeping are located in undergraduate liberal arts colleges, but we also have some experiments of this sort in professional programs.

Another facet of that is that since some of our students are older when they come they already have certain kinds of skills and knowledge, certain kinds of competences and it is a waste of money to put them through the program and have them really do everything you would normally have a student fresh out of high school do.

So one of the things we are attempting to do by looking at the end results is to determine whether students are already partway there, and whether we can fit a program just for that portion of the additional activity they need rather than give them the whole sweep.

## CURRICULUM DEVELOPMENT

Mr. FLOOD. Do you have anything to do with instruction or advice on what curriculum should be set up?

Miss SMITH. Some of our projects are specifically concerned with the development of curricular programs directed toward certain ends and objectives.

Mr. FLOOD. Four years of Latin, four years of Greek, four years of mathematics.

Miss SMITH. We don't get down to that point. It is more the point of looking at what the program should produce and what kinds of components are needed to go into that program in order to produce this end product. If the end product requires 4 years of Latin that would be included. We don't dictate the curriculum product.

Mr. FLOOD. Here is an end product at the end of the table. What does he look like?

Miss SMITH. We are all examples of the old school.

Mr. FLOOD. I was afraid of that, yes.

Miss SMITH. The end product should look like a person who can cope with rapid societal change, can move freely from one kind of occupation to another, have learned the kind of basic skills approach and knowledge which will make it possible for him not to have to be retrained every 2 years in order to take another job. He will have the kind of flexibility, the kind of ease, the kind of skill, the kind of understanding that fits with this kind of society. It is a society which has a tremendous need for education but one in which we tend to think all of the education has to take place at one time in a college setting.

One of the purposes of the Fund is to recognize the fact that there are ways in which you can educate a person so he doesn't always have to have all of his education in a college, nor that he has to continue to assume that that one college education will last him for life.

Mr. FLOOD. Do you espouse any technique or advocate a method or just let them go to the local requirements?

Miss SMITH. We don't ourselves espouse a single technique. We ask for proposals from the field, and there are several techniques that have been espoused, and we are using a variety of them in the grants. The hope is that 1 year down the road, 2 years down the road, we will have an opportunity to have these people who are using the techniques discussing more fully the advantages and weaknesses of each of the techniques.

We want a system in which there is not just a single technique used throughout the system. People learn differently, different kinds of programs have different purposes, and our hope is to have the kind of diversity that will be also useful for the whole range of students we now have.

So we don't espouse a single technique but we are experimenting through our grants with a range of techniques.

### FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

Mr. **Flood.** Last year in your budget you had four jobs down there for the Federal Interagency Committee on Education.

Mr. **Saunders.** Right.

Mr. **Flood.** Are they still assigned to the Assistant Secretary?

Mr. **Saunders.** Yes, they are.

Mr. **Flood.** That is a committee?

Mr. **Saunders.** It is an interagency coordinating committee which has been in operation since the midsixties.

Mr. **Flood.** What 11 things did they work on last year?

Mr. **Saunders.** The committee has done a lot of work to try to coordinate the different agencies working in the field of vocational education, for example. The Defense Department is doing a lot of interesting things in training.

Mr. **Flood.** Where did you get the committee? How did you trap them?

Mr. **Saunders.** It is set up by executive order and was set up for the first time in 1965 I believe. The Assistant Secretary is the chairman of the committee.

Mr. **Flood.** And who else?

Mr. **Saunders.** There are representatives from all of the departments and agencies with major programs in education, the National Science Foundation, the Defense Department, Atomic Energy Commission. There are some 26 agencies represented on the committee.

The positions you mentioned are the staff who provide the service for the committee and staff its regular meetings and subcommittee work. This is a continuing operation. The full committee meets every month. There is a meeting this afternoon as a matter of fact. There are some 8 or 10 subcommittees presently active and they are meeting constantly, and this is the function that staff serves.

Mr. **Flood.** Mr. Patten.

Mr. **Patten.** I have no questions, Mr. Chairman, except I want to acknowledge that the gentleman is out of Princeton, one of America's excellent universities.

### EDUCATIONAL RESEARCH CENTERS

Mr. **Conte.** How do you review the continued performance of Stanford and Syracuse Educational Research Centers?

Mr. **Saunders.** There are three principal ways in which the policy centers' work is reviewed: (1) a detailed internal and external review of written reports, (2) continuous policy center and HEW staff interaction and (3) a semiannual site visit including both HEW officials and knowledgeable outside experts.

Mr. **Conte.** You argue in the justification that it is 40 percent less expensive to continue supporting the two centers than to go the competitive contract route for policy research. How do you arrive at that figure?

Mr. SAUNDERS. The 40 percent cost savings is an estimate based upon three important variables: the start-up cost involved for contractors with less experience, the ability for quick response based on urgent information needs of HEW policymakers and a well established information and data collection network in each center including contacts in many States, education agencies and professional associations.

Mr. CONTE. Isn't there an advantage in tapping a number of different sources for policy research?

Mr. SAUNDERS. There is an advantage to having different sources for policy research and HEW and the Office of the Assistant Secretary for Education uses several sources in addition to the policy centers. These sources include the contract work of the Office of Planning, Budgeting and Evaluation, Office of Education, other contracts let by the Office of Education or the National Institute of Education and use of varying outside experts/consultants to perform specific policy research functions for the Assistant Secretary for Education. In addition small meetings and conferences have been convened to provide additional advice to officials of the Education Division. However, none of these sources provide the quick response capability and the established information network which the policy centers possess in several important fields of interest.

Mr. CONTE. For the record, will you list studies or reports underway at the centers or completed in 1974?

Mr. SAUNDERS. I will have those lists prepared and submitted for insertion into the record.

[The information follows:]

## LIST OF FISCAL YEAR 1974 STUDIES UNDERWAY OR COMPLETED AT THE POLICY CENTERS

### STANFORD RESEARCH INSTITUTE

#### FISCAL YEAR 1974 STUDIES UNDERWAY OR COMPLETED

1. Enrick, John: "Analysis of Proposals of Target ESEA Title I Moneys Based Upon Test Score Materials," interim report—November 1973.
   "Use of Performance Criteria to Allocate ESEA Title I Moneys," final report—April 1974.
2. Guthrie, James; Frentz, Ann; and Moss, Rita; "Distribution and Redistribution; A Comparison of Student Test Scores with Family Income Measures as a Federal School Aid Allocation Criteria," interim report—November 1973; final report—April 1974.
3. Kincaid, Harry V.; McEkron, Norman B.; and McKinney, Dorothy; "Technology in Public Elementary and Secondary Education," April 1974.
4. Janowitz, Linell; "Survey of Federal Education Programs and Data Sources," March 1974.
5. MacMichael, David C.; "Issues for Involvement of ASE/HEW in Horizons Program of Bicentennial Activity," Memorandum to Constantine Menges, March 11, 1974.
6. Thomas, Thomas C. and Danner, John C.; "Definitions of Equal Educational Opportunity and Their Policy Implications," March 1974.
7. Robinson, Meredith; "Compensatory Education and Early Adolescence," preliminary draft—November 1973.
   Larsen; Meredith (nee Robinson); "Compensatory Education and Early Adolescence," research note—February 1974.
8. Thomas, Thomas C.; "Problems Arising from Current Comparability Regulations," February 1974.
9. Stearns, Marian S., et al.; "Parent Involvement in Compensatory Education Programs," August 1973.

10. Thomas, Thomas C. and Robinson, Meredith; "Inequality and Federal Compensatory Education Policy," August 1973.
11. Wilcox, Mary; "Bilingual Education: A Brief Review of the Literature," August 1973.
12. Hamilton, Phyllis D.; "Competency Based Teacher Education," July 1973.
13. Markley, O. W.; McKinney, Dorothy; and McEkron, Norman B.; "Educational Technology," July 1973.
14. Nusburg, Charlotte; "Disruption, Violence, and Vandalism in Schools," July 1973.
15. Robinson, Meredith; "Targeting of Compensatory Education Programs," July 1973.
16. Thomas, Thomas C. and Robinson, Meredith; "Issues Arising Out of Current Evaluation Policy," July 1973.
17. Thomas, Thomas C. and Robinson, Meredith; "Operations of Oversight and Review by Congress of Educational Programs," July 1973.

### Syracuse University Research Corp.—EPRC

#### FISCAL 1974 STUDIES COMPLETED

1. Clasby, Miriam; Webster, Maureen; and White, Naomi; "Laws Test and Schooling"; October 1973.

#### FISCAL YEAR 1974 STUDIES UNDERWAY

1. Tussing, Dale; "The Education Strategy: Can It Succeed?"; October 1973.
2. Huff, Sheila; "The New Realism in Employment Practices—Implications for Education of Title VII Civil Rights Act of 1964"; September 1973.
3. Mathieson, David; "Notes on Proprietary Schools: Some Policy Issues"; September 1973.
4. White, Naomi; "Test Scores as Needs Indicators"; Spring 1974.
5. Tussing, Dale; "Needs, Outcomes, Output, Effectiveness, Responsiveness, and Deficiency in Education and Other Social Programs"; Spring 1974.
6. Clasby, Miriam; and Webster, Maureen; "Educational Needs and Resource Allocation"; Spring 1974.
7. Tussing, Dale: "The Anatomy of Labor Market Problems"; Spring 1974.
8. Tussing, Dale; "Causes of Labor Market Problems"; Spring 1974.
9. Tussing, Dale; "Educational Policy and Labor Market Problems"; Spring 1974.
10. Tyson, Richard; "National Manpower Forecasting"; Spring 1974.
11. Clark, Louis; "State and Local Manpower Projections"; Spring 1974.
12. Johnson, William; "Use of Manpower Projections"; Spring 1974.
13. Ward, Dwayne; "Labor Market Adjustments: The Case of Elementary and Secondary Teachers"; Spring 1974.
14. Mathieson, David; and Burke, Ross; "The Role of Counseling"; Spring 1974.

### SURC Educational Finance and Governance Center

#### FISCAL YEAR 1974 STUDIES COMPLETED

1. Goettel, Robert J.; "ELSEGIS III/Census: Implications for USOE Data Collection"; November 1973.
2. Berke, Joel S.; and Firestine, Robert E.; Testimony before the House of Representatives Committee on Education and Labor, General Subcommittee on Education on H.R. 13991, on "Improving Federal Information Systems for Education Policymaking"; May 7, 1974
3. Berke, Joel S.; Saunders, Reed; and Sinkin, Judy; "Variations in Educational Finance Among the States: An Analysis of the Problem and of Potential Federal Response"; April 1974.
4. Berke, Joel S.; "Strategies and Tactics of State School Finance Reform"; March 1974.
5. Berke, Joel S.; "Recent Adventures of State School Finance: A Saga of Rocket Ships and Glider Planes"; published in School Review; February 1974.
6. Berke, Joel S.; "Answers to Inequity: An Analysis of the New School Finance"; Berkeley: MacCutchan Publishing Corp.; 1974.

7. Berke, Joel S.; and Kirst, Michael W.; Testimony presented to the U.S. Senate Committee on Labor and Public Welfare, Subcommittee on Education on "A Role for the Federal Government in Reforming American School Finance"; Oct. 4, 1973.
8. Berke, Joel S.; and Kirst, Michael W.; "How the Federal Government Can Encourage State School Finance Reform"; published in Phi Delta Kappan; December 1973.
9. Berke, Joel S.; and Goettel, Robert J.; "The Role of Categorical Programs in the Post-Rodriguez Period"; to be published as chapter in book entitled "School Finance Reform in Transition: The Courts and Educational Reform"; Balinger Press; 1974 forthcoming.
10. Shalala, Donna E.; Williams, Mary F.; and Fishel, Andrew; "The Property Tax and the Voters: Analysis of the State Constitutional Referenda to Revise School Finance Systems in California, Colorado, Michigan, and Oregon—1972 and 1973"; November 1973.

### FISCAL YEAR 1974 STUDIES UNDERWAY

1. Firestine, Robert E.; with assistance of Carvellas, John; and LaMacchia, Anthony; "Analytical Tools for School Finance Aid Simulations"; October 1973.
2. Firestine, Robert E.; with assistance of Carvellas, John; and LaMacchia, Anthony; "A Data Capability for School Finance Aid Simulations"; November 1973.
3. Berke, Joel S.; and Sinkin, July G.; "Developing a 'Thorough and Efficient' School System: Implementing the *Robinson* v. *Cahill* Decision in New Jersey"; to be published in the Journal of Law and Education; July 1974.
4. Berke, Joel S.; Diener, Deborah; Kirst, Michael W.; Moskowitz, Jay; and Sinkin, Judy G.; Reports for HEW on finance legislation in California, Florida, Kansas, Maine, Minnesota, Oregon, and Utah; Spring 1974.
5. Goettel, Robert J.; "Analysis of Local Equilization Policy Under Court Order: Implementation of *Hobsen* v. *Hansen* in Washington, D.C."; Spring 1974.
6. Berke, Joel S.; and Firestine, Robert E.; "Analysis of Federal Program Allocations"; Spring 1974.

### BICENTENNIAL INTERNS

Mr. Conte. What was the origin of the Bicentennial intern program; who was involved in planning it?

Mr. Saunders. The President has asked all Federal agencies to consider ways by which the Federal Government might participate in the Bicentennial commemoration. As part of the Department strategy, the Education Division has developed the proposal before you—the Bicentennial internship program in education.

The idea had its origins in the Office of Education but was discussed throughout the Education Division and accepted by the Commissioner of Education and the Director of the National Institute of Education. The proposal was reviewed by the Office of the Secretary of HEW and forwarded to the Cabinet-Level Committee on the Bicentennial and the American Revolution Bicentennial Administration for final approval. The Education Division was fortunate in that the proposal was sufficiently well-developed for inclusion in the fiscal year 1975 budget; hence, it appears within the Assistant Secretary's request for salaries and expenses.

Mr. Conte. Aren't you using the term "intern" in an unusual way? An internship is usually for the purpose of learning about a program with the idea that the intern's own career will benefit. Your internships look as if they will primarily provide staff support to State bicentennial efforts, and I would worry that some of them will be turned into PR-type jobs with little benefit to the interns or education.

Mr. SAUNDERS. The term "intern" is used to designate an individual who will assist a State in an assessment of education's contribution to the development of that State. As with any internship, the individual will be expected to make a substantive contribution to the effort as well as gain additional knowledge and experience. It is definitely not our intention to have these interns used for PR purposes and our agreements with the States will discourage that kind of activity. What we are attempting to do with this project is to encourage able young scholars to gain significant exposure to the educational problems confronting the States, while at the same time providing incentives for the States to examine the contributions of their educational systems to their past development and future growth. Thus in each State, the study carried out by Bicentennial interns would heighten public awareness of the educational system, its problems, and the steps needed in order to meet more effectively the educational needs of all citizens.

Mr. FLOOD. Thank you very much.

# JUSTIFICATION OF THE BUDGET ESTIMATES

## EDUCATION DIVISION

### Assistant Secretary for Education

### Salaries and Expenses

### Amounts Available for Obligation

| | 1974 | 1975 |
|---|---|---|
| Appropriation | $1,722,000 | $3,671,000 |
| Proposed pay supplemental transfer | 124,000 | --- |
| Subtotal, adjusted appropriation | 1,846,000 | 3,671,000 |
| Comparative transfer from: | | |
| "Salaries and expenses, Office of Education" (planning and evaluation activity -- policy centers) | 475,000 | --- |
| Total, obligations | 2,321,000 | 3,671,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated Obligations | $2,321,000 |
| 1975 Estimated Obligations | 3,671,000 |
| Net change | +1,350,000 |

| | Base | Change from Base |
|---|---|---|
| **Increases:** | | |
| A. Built-in: | | |
| 1. Annualization of new positions | $ --- | $ +88,000 |
| 2. Within-grade increases | --- | +9,000 |
| 3. Rent | --- | +85,000 |
| 4. Extra paid day | --- | +5,000 |
| Subtotal | --- | +187,000 |
| B. Program: | | |
| 1. Policy centers | 475,000 | +475,000 |
| 2. Bicentennial internship program in education | --- | +750,000 |
| Subtotal | --- | +1,225,000 |
| Total, increases | | +1,412,000 |
| **Decreases:** | | |
| A. Built-in: | | |
| 1. Reduction in other than permanent usage | 84,000 | -9,000 |
| 2. Reduced printing | 28,000 | -7,000 |
| 3. Supplies | 11,000 | -5,000 |
| Subtotal | --- | -21,000 |
| B. Program: | | |
| 1. Reduced outside contracts | 146,000 | -41,000 |
| Subtotal | --- | -41,000 |
| Total, decreases | --- | -62,000 |
| Total, net change | --- | +1,350,000 |

## Explanation of Changes

Increases:

A. Built-in:

1. The increase of $88,000 will support a greater number of manyears in fiscal year 1975 resulting from filling new positions not filled until late in fiscal year 1974.

2. The increase of $9,000 will provide for personnel scheduled to receive within-grades during fiscal year 1975.

3. In fiscal year 1975, the Assistant Secretary for Education will begin paying rent charges. An amount of $85,000 will be needed for this "Standard Level User Charge."

4. The increase of $5,000 will provide for the extra paid day in fiscal year 1975.

B. Program:

1. Increased contractual activities in policy analysis will require an additional $475,000 in fiscal year 1975.

2. An additional amount of $750,000 will provide funding for the Bicentennial Internship Program in Education -- the Education Division's participation in the Nation's bicentennial activities.

Decreases:

A. Built-in:

1. Increased permanent manyears will result in reduced usage of non-permanent personnel, decreasing that cost by $9,000.

2. In fiscal year 1975, reduced printing requirements will result in a savings of $7,000.

3. The amount needed for supplies in fiscal year 1975 is a $5,000 reduction over 1974 due to one-time non-recurring costs.

B. Program:

1. Since the Policy Centers will now be under the Office of the Assistant ecretary for Education, greater concentration of contractual activities with them as opposed to other outside sources will result in a savings of $41,000.

Obligations by Activity

| Page Ref. |  | 1974 Base |  | 1975 Estimate |  | Increase or Decrease |  |
|---|---|---|---|---|---|---|---|
|  |  | Pos. | Amount | Pos. | Amount | Pos. | Amount |
|  | Office of the Assistant Secretary for Education.. | 55 | $1,925,400 | 49 | $3,079,700 | -6 | $+1,154,300 |
|  | Fund for the Improvement of Postsecondary Education............... | 15 | 395,600 | 21 | 591,300 | +6 | 195,700 |
|  | Total obligations.............. | 70 | 2,321,000 | 70 | 3,671,000 | -- | +1,350,000 |

Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Total number of permanent positions | 70 | 70 | -- |
| Full-time equivalent of all other positions | 3 | 4 | + 1 |
| Average number of all employees | 55 | 73 | +18 |
| Personnel compensation: | | | |
| Permanent positions | $1,280,000 | $1,334,000 | $ +54,000 |
| Positions other than permanent | 84,000 | 75,000 | -9,000 |
| Other personnel compensation | 12,000 | 25,000 | +13,000 |
| Subtotal, personnel compensation | 1,376,000 | 1,434,000 | +58,000 |
| Personnel benefits | 101,000 | 116,000 | +15,000 |
| Travel and transportation of persons | 87,000 | 95,000 | +8,000 |
| Transportation of things | 3,000 | 6,000 | +3,000 |
| Rent, communications and utilities | 86,000 | 171,000 | +85,000 |
| Printing and reproduction | 28,000 | 21,000 | -7,000 |
| Other services | 621,000 | 1,805,000 | +1,184,000 |
| Supplies and materials | 11,000 | 6,000 | -5,000 |
| Equipment | 8,000 | 17,000 | +9,000 |
| Total obligations by object | 2,321,000 | 3,671,000 | +1,350,000 |

## Authorizing Legislation

| Legislation | 1975<br>Authorized | <br>Appropriation requested |
|---|---|---|
| General Education Provisions Act: | | |
| Section 402 -- Assistant Secretary for Education........................ | Indefinite | $3,671,000 |

## Salaries and Expenses, Assistant Secretary for Education

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1973 | $2,290,000 | $ 1/ | $2,290,000 | $1,543,000 |
| 1974 | 1,852,000 | 1,722,000 | 1,722,000 | 1,722,000 |
| 1975 | 3,671,000 | | | |

1/ Not considered by the House.

### Justification

### Salaries and Expenses

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Personnel compensation and benefits............ .... | 70 | $1,477,000 | 70 | $1,550,000 | -- | $ +73,000 |
| Other expenses............. | -- | 844,000 | -- | 2,121,000 | -- | +1,277,000 |
| Total................. | 70 | 2,321,000 | 70 | 3,671,000 | -- | +1,350,000 |

### General Statement

The Assistant Secretary for Education is responsible for direction and supervision of the Education Division, provides leadership for the education activities of the Department, and serves as the key spokesman and advocate for assuring that the Department provides professional and financial assistance to strengthen education in accordance with Federal laws and regulations. In addition, he serves as the principal advisor to the Secretary on education affairs. This appropriation provides for the administrative expenses associated with the Office of the Assistant Secretary for Education and the Fund for the Improvement of Postsecondary Education staff, whose Director reports directly to the Assistant Secretary for Education. The estimate also includes $950,000 for continued support of contractual analysis activities, and $750,000 to initiate the Bicentennial Internship Program in Education.

## Office of the Assistant Secretary for Education

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Personnel compensation and benefits. .......... .. | 55 | $1,160,000 | 49 | $1,085,000 | -6 | $ +75,000 |
| Other expenses.............. | -- | 764,900 | -- | 1,994,700 | -- | +1,229,800 |
| Total................. | 55 | 1,924,900 | 49 | 3,079,700 | -6 | 1,154,800 |

| | 1974 Positions | 1975 Positions |
|---|---|---|
| Immediate Office of the Assistant Secretary......... | 14 | 10 |
| Office of Administration......................... | 6 | 8 |
| Deputy Assistant Secretary for Policy Development... | 20 | 16 |
| Deputy Assistant Secretary for Policy Communication. | 15 | 15 |
| Total ....................................... | 55 | 49 |

The Education Amendments of 1972 created an Education Division comprising the Office of Education and the National Institute of Education, and headed by the Assistant Secretary for Education who has the responsibility for the direction and supervision of the Division. To assist in that responsibility, the Assistant Secretary has two principal deputies -- one for policy development, the other for policy communication. In addition, the Assistant Secretary is supported by a small administrative staff.

### Bicentennial Internship Program in Education

The 1975 budget proposes $750,000 for the Education Division's Bicentennial Internship Program as part of the national Bicentennial celebration. The program will promote the HEW Bicentennial theme "Fostering Individual Independence," as well as the national anniversary themes, "Heritage," "Festival USA," and "Horizons '76."

The emphasis of the program will be to encourage states to more effectively fulfill the educational needs of their citizens. The program is designed to heighten public awareness of the value of the educational system, and to identify steps toward future progress in education.

In fiscal year 1975 the internship program will send teams of interns to State Education Agencies in order to aid state officials in assessing the contributions that education has made to each respective state, examining that state's problems, and assembling information for future educational planning.

The internships will be conducted by the four regional educational agencies already designated by the American Revolution Bicentennial Administration to administer the Bicentennial Internship Program. These agencies will nominate qualified candidates as interns for joint selection by the Education Division and the State Education Agencies which will share in the support and supervision of the teams.

For the most part, the interns, who will spend from 6 to 9 months with the state agencies, will be graduate students from varied disciplines such as history, sociology, education, humanities, and the arts. In general, the makeup of the intern teams will depend upon the special requirements and objectives of the respective states.

## Educational Research Policy Centers

Under the Education Amendments of 1972, the Assistant Secretary for Education was assigned responsibility for education policy development and leadership within HEW. In order to provide the Office of the Assistant Secretary with a resource for in-depth and sustained policy analysis, support of two educational research policy centers was transferred to the Assistant Secretary from the Office of Education during the second half of fiscal year 1974.

The two centers, located at the Stanford Research Institute and at Syracuse University, were established by the Office of Education in 1967, and were originally oriented to predicting future developments and anticipating needs in education. In fiscal years 1972 and 1973, the Office of Education began to reshape the areas of exploration of the centers into a limited range of issues focusing on contemporary concerns.

Since the Assistant Secretary for Education has assumed responsibility for the centers, the range of areas for analysis has been more sharply defined and specific tasks with explicit deadlines have been assigned to each center. The center at Stanford is responsible for analyses in the areas of education of the disadvantaged and postsecondary education, while the center at Syracuse is responsible for analyses in school finance and in seeking means to improve the relationship between schooling and the labor market.

The centers provide a link for HEW between in-depth policy analysis efforts and the in-house policy development staff in the Office of the Assistant Secretary for Education. The continuity provided by the centers offers an opportunity to utilize existing data and research and evaluation findings in the development of education policy.

The centers play a vital role in policy development because of their somewhat removed perspective and distance on educational problems and issues. In addition, they have accumulated considerable expertise in some areas of analysis that does not exist elsewhere in the nation -- particularly in public school finance, education of the disadvantaged, and trends in state public accountability practice.

Because of their existence, the Federal government is able to obtain a higher return in analysis products for its investments in the policy centers than it would if the same services were procured through a large number of separate contracts. The continuous involvement of the centers with educational policy has led to the growth of expertise which can be directly applied to the analysis required by the Assistant Secretary for Education. This continuity affords a sizable savings (upwards of 40 percent) to the Federal government since the policy centers are already familiar with the issues, data, and past work. A separate contractor would cost additional time and money to gain these familiarities. Additional savings in labor and support costs are obtained because the policy centers draw upon the highly talented but less expensive resources of the university community and derive direct savings through the use of the university facilities.

The following table shows the funding of the policy centers.

| FY 1974 | | | FY 1975 | |
|---|---|---|---|---|
| From 1973 Appropriation | From 1974 Appropriation | Total | From 1975 Appropriation | Total |
| $475,000 | $475,000 | $950,000 | $950,000 | $950,000 |

As the table indicates, the funding cycle will be changed with the FY 1975 appropriation from a calendar-year basis to a Federal fiscal year basis.

Fund for the Improvement of Postsecondary Education

| | 1974 Base | | 1975 Estimate | | Increase or Decrease | |
|---|---|---|---|---|---|---|
| | Pos. | Amount | Pos. | Amount | Pos. | Amount |
| Personnel compensation and benefits.............. | 15 | $317,000 | 21 | $465,000 | +6 | $+148,000 |
| Other expenses............... | -- | 79,100 | -- | 126,300 | -- | 47,200 |
| Total.................. | 15 | 396,100 | 21 | 591,300 | +6 | 195,200 |

The Fund, which was established by the Education Amendments of 1972, has responsibility for administration of the following activities: the review and selection of proposals for grant awards; the monitoring and provision of technical assistance to funded projects; the provision of information and other outreach sources to the field of postsecondary education; and, related duties required to administer this discretionary grant program.

In fiscal year 1974, with a program budget of $10,000,000, the Fund has 15 positions, including 10 professional and five clerical. In order to administer the expanded program anticipated in fiscal year 1975, with a program budget of $15,000,000, an additional six positions are being reallocated from within the Office of the Assistant Secretary (four professional and two clerical).

## EDUCATION DIVISION

### Salaries and Expenses, Assistant Secretary for Education

### Program Purpose and Accomplishments

Activity: Office of the Assistant Secretary for Education

| 1974 | | 1975 | | |
|---|---|---|---|---|
| | | | Budget Estimate | |
| Pos. | Amount | Authorization | Pos. | Amount |
| 55 | $1,924,900 | Indefinite | 49 | $3,079,000 |

Purpose: Provides support for necessary staff and related expenses for the Assistant Secretary for Education to carry out his responsibilities, either as provided by statute or by delegation pursuant to statute.

Explanation: The Education Amendments of 1972 established an Office of the Assistant Secretary for Education to provide direction and supervision for the Education Division.

Accomplishments in 1974: In fiscal year 1974, the Office of the Assistant Secretary for Education has completed essential staffing and begun a comprehensive review and analysis of priority program issues within the Division. Further, the Office has established communication linkages with appropriate members of the education community. Additionally, four pilot projects initiating the Bicentennial Internship Program in Education will be set in motion.

Objectives for 1975: In fiscal year 1975, the Office of the Assistant Secretary for Education will include additional program topics for review and analysis and continue the work undertaken to assure that the priorities of the Education Division are clearly articulated and the views of the education community are transmitted within the Department. In addition, contractual analysis activities will be continued so that analysis may be performed concerning postsecondary education, education of the disadvantaged, public school finance, and ways to improve the relationship between schooling and the labor market. The Bicentennial Internship Program in Education will, in fiscal year 1975, make available to the state education agencies teams of interns to assist the states in clarifying the role of education in the state's development, identifying accomplishments and problems, and assembling data for future decisions affecting all levels of education in the state.

## EDUCATION DIVISION

### Salaries and Expenses, Assistant Secretary for Education

### Program Purpose and Accomplishments

Activity: Fund for the Improvement of Postsecondary Education

| 1974 | | | 1975 | |
|---|---|---|---|---|
| | | | Budget Estimate | |
| Pos. | Amount | Authorization | Pos. | Amount |
| 15 | $396,000 | Indefinite | 21 | $581,300 |

Purpose: Provides the necessary staff and related expenses for the support of the Fund for the Improvement of Postsecondary Education.

Explanation: Funds included in this activity provide for the operational costs related to postsecondary improvement. Costs include salaries of the Postsecondary Improvement staff and related expenses for travel, communications, supplies and equipment.

Accomplishments in 1973/1974: Major accomplishments included the installation of the Fund program and the selection and monitoring of 89 grants and one contract in fiscal year 1973 and continuation of the comprehensive program and the initiation of two special focus programs in fiscal year 1974.

Objectives for 1975: A staff increase of six positions will be accomplished by a reallocation from within the Office of the Assistant Secretary for Education. This increase will be necessary to administer the expanded program anticipated in fiscal year 1975 (from $10,000,000 to $15,000,000). This expanded program will permit the Fund to sponsor two new special focus programs as well as continue the comprehensive program competition.

WEDNESDAY, APRIL 24, 1974.

## FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

### WITNESSES

**VIRGINIA B. SMITH, DIRECTOR, FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION**

**CHARLES B. SAUNDERS, JR., ACTING ASSISTANT SECRETARY FOR EDUCATION**

**CHARLES E. HANSEN, DIRECTOR OF ADMINISTRATION**

**RUSSELL E. EDGERTON, DEPUTY DIRECTOR, FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION**

**CHARLES I. BUNTING, PLANNING OFFICER, FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION**

**CHARLES MILLER, DEPUTY ASSISTANT SECRETARY, BUDGET**

Mr. FLOOD. Now we have the Fund for the Improvement of Postsecondary Education. This presentation will be made by Virginia Smith, Director of the Fund for the Improvement of Postsecondary Education. We will place your biographical sketch in the record at this point, Miss Smith.

[The biographical sketch follows:]

### BIOGRAPHICAL SKETCH OF VIRGINIA B. SMITH

Position: Director, Fund for the Improvement of Postsecondary Education.

Birthplace and date: Seattle, Wash., June 24, 1923.

Education: B.A. and M.A. (labor economics), University of Washington, Seattle, Wash.; J.D. from the University of Washington, School of Law, Seattle, Wash.; postgraduate study in economics and law, Columbia University.

Experience: Present: Director, Fund for the Improvement of Postsecondary Education.

1967–73: Carnegie Commission on Higher Education, Berkeley, Calif.: associate director 1971–73, assistant director, 1967–71; 1952–1967: University of California, Berkeley, Calif., assistant vice president, 1965–67; coordinator, administrative policy unit, 1963–65; assistant to the vice president, 1962–63; administrative analyst, 1958–60; instructor, University of California Extension, 1952–60; coordinator of public programs, Institute of Industrial Relations, 1952–58.

1949–52: Seattle Pacific College, Seattle, Wash., associate professor, acting registrar, and director of admissions; chairman of Curriculum Committee and Department of Economics and Business, 1951–52; assistant professor and chairman, Department of Economics and Business, 1950–51; instructor, economics and business, 1949–50.

1947–48: Instructor, economics and business, College of Puget Sound, Tacoma, Wash.

1944–46: Price economist, Seattle District Office of Price Administration, Seattle, Wash.

Law practice: Admitted to Washington Bar, 1947; Part-time private practice in Washington, 1947–52; Admitted to California Bar, 1958; Associated with Law Offices of Sam Kagel, San Francisco, 1958–67; Associate Counsel to Trustee of Yuba Consolidated Industries, 1963–64.

Fellowships: Research fellow, Institute of Labor Economics, University of Washington, 1946; Fulbright Scholar in England (Adult and Trade Union Education), 1956–57

Association memberships: Member: Washington State Bar Association, California State Bar Association, Association for Higher Education, Queens Bench, American Educational Research Association, and National Association of Women Lawyers.

Selected publications: "Chief Justice Warren and Labor Law" by Sam Kagel and Virginia B. Smith, Vol. 49, California Law Reviews, pp. 126–143; "More for

Less: Higher Education's New Priority" by Virginia B. Smith, Reprinted from Universal Higher Education: Costs and Benefits, 1971, published by the American Council on Education, Washington, D.C. (1972); "Restructuring Education and Its Timing" by Virginia B. Smith, in Recurrent Education, published by the National Institute of Education, Washington, D.C. (1973); "Assessing and Improving Productivity in Higher Education" by Virginia B. Smith, Higher Education: Myths, Realities and Possibilities, edited by Winifred L. Godwin and Peter B. Mann, Southern Regional Education Board, Atlanta, Georgia, pp. 38-53 (1972); "City and Campus" by Virginia B. Smith, paper delivered at American Council on Education Annual Meeting, (October 11, 1973), copies available upon request from the American Council on Education, Washington, D.C.

Mr. FLOOD. Miss Smith, you have a statement. What do you want to do with it?

Miss SMITH. I would like to point out certain things in the statement and submit it.

[The statement follows:]

### FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION—STATEMENT BY THE DIRECTOR

Mr. Chairman and members of the committee, I am pleased to have this opportunity to appear before you on behalf of the Fund for the Improvement of Postsecondary Education.

As you know, establishment of the fund was made possible by the Education Amendments of 1972 which authorizes grants to and contracts with postsecondary education institutions and agencies to encourage reform, innovation, and improvement of postsecondary education.

The fund became operational in 1973, with an appropriation of $10 million, appointment of a director, and the development of a program to carry out the legislative intent. To assist in this task, a board of advisers was appointed and that board now works closely with the director in setting program directions and reviewing projects.

Two important conditions made 1973 a particularly appropriate year to launch this new and significant Federal effort:

(1) With the Education Amendments of 1972, the Federal Government had provided the essential framework for a massive investment in *access* to postsecondary education, and it thus became even more crucial to make certain that there exist a suitable diversity of quality, cost-effective programs to make that *access* an opportunity of substance as well as form.

(2) By 1973, although it was clear that both new societal demand and changes in the composition of the student bodies required modifications of institutional missions and programs, the simultaneous decline in overall enrollments and resulting stringency of resources made it difficult for institutions to finance these renewal activities from their own funds.

Since this is the first time I have appeared before you to talk about the fund, I would like to briefly mention two basic principles that underlie the operation of the fund:

The fund is *action-oriented*. We do not fund proposals for basic research. The *actions* supported by the fund are proposed improvements directed toward already perceived actual needs and with the actions based in *reality* situations.

The fund is primarily *responsive*, with the initiative for developing proposals in the field. We are not social engineers. Rather, our guidelines describe broad priorities and issues in the field of postsecondary education, but the choice and development of specific solutions is left entirely to the practitioners who have ultimate responsibility for making those solutions work.

In fiscal year 1973, the fund issued guidelines based on these principles and outlining several broad problems and issues. Fourteen hundred proposals were received. As set forth in the program announcement, each proposal was tested against three general critera—

(1) would it lead to greater *cost-effectiveness?*

(2) would it have *significance* beyond the accomplishment of the specific program itself—would it have usefulness for others in postsecondary education?

(3) does it improve the educational opportunity for the learner—is it a *learner-centered* action?

Eighty-nine proposals were funded. Within these 89, we have formed key clusters of proposals for purposes of comparative analysis of outcomes and to facilitate the sharing of problems, solutions, and technical assistance.

Many of the fund projects represent serious, and often bold, commitments and new directions for entire institutions. For example, at Alverno College in Wisconsin, the fund is supporting an effort to implement a refreshingly new approach to liberal arts education, an approach designed with the active involvement of the entire faculty, staff, and student body. And, a State college complex in Michigan is undertaking the development of a college in which students may start a new unit at any time, compete it at any time, and learn entirely at their own speed. The course is not completed until the student has accomplished 90 percent mastery of the material. Effective learning is the key concern.

Of course, such an approach requires the preparation of special learning materials which would be inordinately expensive if every professor had to develop his own. It is this concern which led the fund to support another project, a national clearinghouse for sharing individualized learning materials.

To some new learners, the physical location of the learning activity has been a barrier to access. Particularly significant for these new learners, including many adults and rural residents, are several projects of the fund using new methods of delivering educational services. In the Dayton-Miami Valley of Ohio, a home-based educational program using cable TV is being developed with broad community involvement. In Vermont, a 2-year college operating without a campus, without traditional buildings, and without a permanent faculty brings together educational resources and learners in rural areas.

An important concern for postsecondary education is the creation of programs that increase access to existing and new careers. At a California community college, inner-city youth are combining intensive short-term campus-based instruction with on-the-job experience to develop expertise as chemical technicians. And at the University of Pittsburgh, graduate business education is being enriched by a student-initiated project in minority business consultation.

Both the desire to improve learning effectiveness and reduce cost by eliminating duplication of high school and college work is the motivation for the fund-supported middle college experiment at LaGuardia Community College which combines the 5 years from the 10th grade through the community college. This concern for better utilization of resources also led us to provide support for the New Jersey Hudson Consortium in which the combined educational programs of several institutions are used to expand educational opportunities for residents of the area.

This increased interest in interinstitutional cooperation to achieve better programs at lower costs than could otherwise be accomplished is a particularly encouraging development noted in many fund proposals. Some of these, like the Hudson project, involve consortia of similar colleges. Other projects, however, combine colleges with other types of institutions—for example, the fund-supported project at the associated colleges of the Midwest integrates the curricula of various liberal arts colleges with nursing and allied health programs of a large medical center. Review of our 1974 proposals suggests that many more of our 1974 grants will involve interinstitutional efforts.

In fiscal year 1974, based on an analysis of the 1973 proposals, two special focus programs were added to the broad comprehensive program. One supported competency-based learning projects, projects in which both the educational program and the measures of success go well beyond the simple acquisition of knowledge to that combination of knowledge, skill, and attitude which permits the learner to *perform* as well as to know. The second special focus program addressed the critical problem of developing those policies and practices which would increase the effectiveness of faculty participation, as teachers and advisers, in the learning process. The fund received, in fiscal year 1974, 2,800 proposals. These are now undergoing careful review; it appears we will be able to fund a combined total of approximately 100 new and continuing projects this year.

Our experience to date has shaped our 1975 budget request. First, the program is responding to a substantial need and that need is demonstrably greater than can be met with existing fund resources. Second, action projects because of their nature usually require at least a 2-year period to demonstrate their worth and establish a base for alternative financing. As a consequence, high continuation costs will severely limit the number of new starts in 1975 if funding is not increased.

Third new start funds are requested in fiscal 1975 for two additional special focus programs. These programs are designed to increase the effectiveness of student choice among the range of educational institutions, programs, and career options and the development of new means to assess the quality of programs. These two efforts would help to make effective use of the massive public investment in the postsecondary educational enterprise.

### GENERAL EXPLANATION OF FUND

Miss SMITH. As we mentioned earlier, this is a new program. It resulted from the Education Amendments of 1972 and it authorizes grants to and contracts with postsecondary institutions and agencies for the purpose of improvement, innovation, and reform, of postsecondary education.

Mr. FLOOD. What do you mean by postsecondary?

Miss SMITH. Postsecondary education includes all of that education which takes place after the typical high school leaving age, that is adults. And it includes all of that education wherever it occurs, whether it occurs in colleges and universities, private trade and technical schools, area vocational schools and various kinds of museums, libraries, et cetera.

One of the things we are discovering, and it was discovered in at least six or seven different studies recently. Studies of the magnitude of the Conant study, parallels of the Conant study of secondary education, discovered that a great number of educational activities are going on in these agencies, and the important thing is to integrate them in a way that will make the most use of them within the whole range of education for people beyond high school. At the moment, perhaps, they are not used as effectively as they might be in connection with institutions of higher education.

Mr. FLOOD. Do you include vocational education schools?

Miss SMITH. Yes, they are included also.

Mr. FLOOD. Have you caught up Andover and Exeter to help our friend here?

Miss SMITH. No. That would be secondary education.

Mr. FLOOD. What about the average so-called prep school?

Miss SMITH. The average prep school would be considered at the secondary level: postsecondary education would take place after that level.

Mr. FLOOD. Would you dare approach military academies?

Miss SMITH. Military academies? Many of them are a part of the higher education field, such as West Point, Annapolis.

Mr. FLOOD. That is not quite a prep school unless you are over here in Maryland.

Miss SMITH. If you are talking about military academies prior to the age of graduation from high school they are not a part of our area. The fund is directed toward the postsecondary level, which means after the usual high school leaving age, which would be 16 to 18.

Mr. FLOOD. Do you include schools that are entirely female schools, male schools and whatnot?

Miss SMITH. We include all institutions whether coeducational or for women or men if they give education beyond the level of high school.

Mr. FLOOD. Do you get into the nonpublic sector?

Miss SMITH. Yes.

Mr. FLOOD. How?

Miss SMITH. Many of our grants this year are to private colleges, universities. Some of them are to private trade and technical schools. That is, technical schools beyond the high school level.

Mr. FLOOD. You are using "private" in the nonpublic sense; is that it?

Miss SMITH. That is correct.

### FUNDING PRIORITIES AND PROCEDURES

Mr. FLOOD. You want $15 million to support 175 projects in fiscal 1975. That works out to around $86,000 for a project. With reference to funding only now, what is the range of funding for these projects? In other words, what is the smallest project, what is the largest project, based on your experience this year?

Miss SMITH. We have had one year of funding. In that year we funded 89 projects out of 1,400 proposals. The smallest project funded was for $4,000. The largest project was about $700,000. That was $700,000 over a period of years. The largest single year project is about $300,000.

The range is quite great. Forty-one of our projects last year were under $50,000. This year we are considering projects that are as low as $6,000, $8,000.

Mr. FLOOD. How do you find them and where? They are not all on the west coast are they?

Miss SMITH. No, they are not all out on the west coast.

Last year after the legislative amendments were enacted and we could get into place, we appointed a director and a Board. The Secretary appointed a Board which includes people who are very interested in higher education, and postsecondary education more broadly. They helped us develop guidelines which we then took to the field and discussed with people in colleges, universities, and private trade and technical schools, among others.

The guidelines are based on the basic princple that we fund action projects. That is, we do not fund basic research studies; rather, we fund responses to real problems that exist in institutions and in educational areas.

We wanted those projects to be action based, to be reality based. Our concern is to create improvement.

Mr. FLOOD. Are there conditions peculiar to a certain institution?

Miss SMITH. In very few cases do we fund a project that does not have some transportability and some replicability. In other words, the situation should not be so peculiar to that particular institution that it doesn't have significance beyond the institution.

You asked how we got the proposals. We sent those guidelines to the field after having consulted with many people in the field about them. This year we probably distributed somewhere around 15,000 copies. Consequently, many institutions in the country are aware of it, as well as many individuals.

As a result of that distribution, we received 2,800 proposals from institutions and agencies who wished to participate in the program. Each of those proposals is a developed idea indicating a problem that is to be addressed, which is a reality-based problem, and what they propose to do in order to ameliorate that problem and what significance the project has for the rest of the field.

### LENGTH OF GRANTS

Mr. FLOOD. After all of your planning to give birth to a project, how long do you finance it?

Miss SMITH. We make it very clear both in our guidelines and in our discussions with applicants that we do not intend to fund any single project probably much beyond a period of 3 to 4 years.

One thing we want to be certain of is that we don't develop a group of agencies or institutions which think they can continue to be underwritten by the fund. So we indicate that these program funds are for the purpose of making an improvement which itself will have to be funded subsequently through some other source.

One of the questions we ask each applicant submitting a proposal is, if this is a continuing project, what are your plans for funding beyond the time the fund can support it. Unless we have that information we usually don't fund the project unless it is clearly a self-terminating project.

### COMPETITIVE PROPOSALS

Mr. FLOOD. Otherwise, to keep yourself in business, do you send out requests for project proposals or do they compete?

Miss SMITH. One hundred percent of our program moneys are given on a competitive basis. All of the 2,800 proposals that come in are in response to the guidelines, and they are all viewed on a competitive basis in relation to each other.

### DISSEMINATION OF RESULTS

Mr. FLOOD. What happens when a project is completed? Do you forget about it? Do you issue one of those reports with covers on it? What do you do?

Miss SMITH. Two things we don't want to do are the things you mention. We don't want to forget about it. We don't necessarily want to simply issue a report with covers on it which no one will look at.

What we are attempting to do is make our projects a part of the whole area of knowledge within education. I mentioned earlier that we are trying to get our project directors on platforms and in forums where the institutions normally go for advice.

For instance, when there are national meetings and conferences, our project directors are there to explain their projects.

We also have various types of conference arrangements, sometimes through telephone conference calls, in which people who have similar problems can talk with some of our project directors about their own projects and activities.

We also have funded two projects which themselves are dissemination projects. In one of these projects, individuals in higher education can telephone or write in and ask, "Do you know anybody who is carrying out this type of activity?" The person in the project will indicate some activities of that sort which are going on so they can get further information and not make the same mistakes that may have been made in earlier activities.

Another area in which we are doing quite a bit of work is in the self-paced instruction field. Self-paced instruction simply means that the individual works somewhat independently with a different type of interaction than a professor in a straight classroom, and this requires a rather large development of materials. If the individual professor did this, it would be extremely expensive. So, we have supported a clearing house which disseminates information on self-paced instruction to the Nation's schools.

### ROLE OF THE BOARD OF ADVISERS

Mr. FLOOD. In your justifications we find all sorts of things. According to your justifications these marvelous project proposals you talk about wind up being reviewed by a board of advisers appointed by the Secretary. Will you explain how this board operates? Does it meet monthly or annually? Where does it meet?

Miss SMITH. The board meets between six and seven times a year. Some of the meetings are concentrated during the period in which we have our heaviest review of proposals. It met for instance at the end of March, at the beginning of April, and it is going to meet again at the beginning of May.

The staff brings to the board its recommendations on proposals. Those proposals are are then discussed in detail with the board. The board makes its recommendations concerning whether or not, in their judgment, the proposals should be funded.

Perhaps more important than recommendations as to whether a proposal should be funded are their comments and questions on the potential impact of the particular project, both for the field and for the individual learner.

They are concerned with some of the questions you raised. What importance will this project have beyond the institution in which it is being funded? Are we sure it is going to be a part of the ongoing activity of the institution? Is there evidence of commitment on the part of the institution to continue it afterward?

They are interested in knowing whether or not it is actually going to bring about some improvement for the learner. They are interested in knowing whether it will be a project that is actually one that addresses the problem that is described. They want to know whether the institution and the people have the capacity in order to bring off the project.

Then they also want to know whether the projects are really going to be used in a way that will be helpful to the rest of postsecondary education.

Mr. FLOOD. Why don't you supply for the record the names of these 15 board members and a line or two of biography, and who appoints them.

Miss Smith. We have that and can submit it.
[The information follows:]

### Board of the Fund

Katherine Allman, 22, is a student at the University of Colorado, Boulder. She graduated 3d in a high school class of 650. At the University of Colorado, she has served as a student member of the National Center for Higher Education Management System Design Committee. She is also an ad hoc member of the University Committee on Teaching and was a student representative at the September 1972 WICHE Assembly.

Robert Anderson, 53, is a member of the law firm of Anderson, Byrd, Richeson, and Jones. He is a member of the Regional Medical Programs Board, the Kansas Health Planning Council and of the American Association of College and University Attorneys. Mr. Anderson is chairman of the Kansas State Board of Social Welfare. He has served for 10 years in the Kansas House of Representatives and was chairman of its Ways and Means Committee. He is also chairman of the Executive Committee of Ottawa University. Mr. Anderson received his LL.B. from Washburn University.

Lewis Butler,[1] 49, is a Visiting Regent Professor at the University of California, San Francisco Health Policy Center. He holds an LL.B. from the Stanford University Law School. Mr. Butler was the president and founder of Opportunity Enterprise Corp., the president and the founding director of the Planning and Conservation League and the founding director of the Management Council for Bay Area Employment. He has served as member of the Board of various civic organizations and has been involved in public service as a Peace Corps Director and most recently as Assistant Secretary for Planning and Evaluation, HEW.

Richard W. Couper, 51, is president and chief executive officer of the New York Public Library. Mr. Couper received a B.A. from Hamilton College and an M.A. in American History from Harvard University. He has been involved in college administration at Hamilton College, and from 1969 to 1971, served as deputy commissioner for Higher and Professional Education in New York State. Mr. Couper is currently a trustee of Hamilton College and Wesleyan University as well as of the Link Foundation.

Ralph Dungan, 50, is chancellor of Higher Education of the State of New Jersey. He received his B.S. at St. Joseph College, Philadelphia and his M.S. in Public Affairs at Princeton University. He has served as legislative assistant to Senator John F. Kennedy and Special Assistant to President Kennedy. Mr. Dungan has served as U.S. Ambassador to Chile and is a member of the Council on Foreign Relations.

C. Jackson Grayson, Jr., 50, is dean and professor at the School of Business Administration at Southern Methodist University, Dallas, Tex. He has been chairman of the Price Commission since October 1971. He has taught at Harvard University, Tulane University and Stanford University. Mr. Grayson is a member of the Advisory Committee of the Diebold Research program and of the Business School Deans Advisory Council, American Management Association. He is the author of numerous works in the field of business and fiscal management.

Laurence Hall, 33, is assistant to the dean and instructor in Social Welfare Policy at the School of Social Service Administration, University of Chicago. Mr. Hall has served as a consultant for the State Department of Social Services in Colorado, as lecturer for the University of Colorado and Loretto Heights College in Denver, and as caseworker for the Sumit County Child Welfare Board, Akron, Ohio. Mr. Hall holds a B.A. from Baldwin-Wallace College, Ohio, and M.S.S.A. from Western Reserve University, Ohio, and is a doctoral candidate at the University of Chicago.

Elizabeth Johnson, 60, is a member of the Oregon Board of Higher Education and of the Western Regional Council of the American Association of Higher Education. Mrs. Johnson is also a member of the WICHE Mental Health Advisory Board and is one of the board of directors of the Association of Governing Boards.

Patricia Locke, 46, is director of Planning Resources in Minority Education with the Western Interstate Commission for Higher Education. She has been associated with American Indian education programs at Alaska Methodist University, San Fernando Valley State College, and University of California at Los Angeles. Ms. Locke is a charter member of the National Indian Education Association and the Lakota Women's Association, and is vice president of the Indian Centers Development Services. Ms. Locke has acted as consultant to numerous tribal and inter-tribal councils, and to various professional and educational organizations.

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[1] Chairman.

James Lucas, 46, is the speaker of the Montana House of Representatives. He is the senior partner in the law firm of Lucas, Jardine and Monaghan in Miles City, Mont., and is also a member (and former president) of the University of Montana Foundation Board of Trustees. Mr. Lucas received a Bachelor of Law Degree in 1951, and Juris Doctor in 1970. Mr. Lucas is also active in numerous professional, civic, educational and philanthropic organizations.

G. Theodore Mitau, 53, has been chancellor of the Minnesota State College System since 1968. Mr. Mitau received a Doctor of Philosophy degree from the University of Minnesota in 1948. He has served as chairman of the Political Science Department at Macalester College, as consultant to various Federal and State Commissions, and is the author of many works in political science and public law. Mr. Mitau is presently a member of the Minnesota Higher Education Advisory Council and the Minnesota Education Council. Mr. Mitau is also on the board of directors and trustee of numerous civic and educational organizations including WICHE and ACE and served as chairman of the American Association of State Colleges and Universities' Task Force on Innovation and Change in Higher Education.

William Allen Moore, 33, is a sociologist who has assisted numerous educational, industrial and private associations in diagnosing their needs and in planning and implementing changes to improve their capability for service. Mr. Moore is a charter member of the peer review panel of the International Association of Applied Social Scientists and a member of the board of directors of the Black Affairs Center of the National Training Laboratories' Institute for Applied Behavioral Science. He has served as director of Development and Planning for Youth for the Chicago Commission on Youth Welfare and as associate director for Field Operations in the Chicago Model Cities program.

Frank Newman, 46, is presently director of University Relations at Stanford University. Mr. Newman holds a B.A. and B.S. from Brown University, and M.S. from Columbia University, and holds an honorary Doctor of Humanities degree from the University of Redlands and a Doctor of Letters degree from the University of Dubuque. Mr. Newman is active in a number of education committees, civil rights and community organizations and has served as a member of various boards of civic associations, several small companies, the California Outward Bound School and the John Muir Hospital. He is chairman of an HEW Task Force on Higher Education.

Grace Olivarez, 45, is director of the Institute for Social Research and Development at the University of New Mexico. Ms. Olivarez holds a J.D. from Notre Dame Law School. She has been a consultant to the National Urban Coalition and to the mayor of Gary, Ind., and has had considerable experience in projects concerned with minority education and employment. Ms. Olivarez is the recipient of numerous public awards, and has served as vice-chairperson of the President's Commission on Population Growth and the American Future.

Lois Rice, 40, is vice president, and director of the Washington Office of the College Entrance Examination Board. She holds a B.A. from Radcliffe College (Magna Cum Laude, Phi Beta Kappa) and was a Woodrow Wilson Fellow at Columbia University. Ms. Rice has been a consultant to the Brookings Institution Study of the Universities and the Cities for the Carnegie Commission on Higher Education. She also acted as consultant to the Ford Foundation and to the Bureau of Higher Education, Office of Education. Ms. Rice is on the board of directors of the National Scholarship Service and Fund for Negro Students, is a trustee of Radcliffe College and a member of the board of directors of the Children's Television Workshop. She is also a member of the Afro-American Studies Review Committee at Harvard University.

Mr. Flood. Are they out of the academic pattern or what?

Miss Smith. They are not generally out of an academic pattern. We attempt to provide on the board a range of interests. Many of our board members are not in the field of higher education but have evidenced some interest in the field of higher education. You may know Ralph Dungan, Congressman Patten, who is one of our members.

We have in the group, I would say, about five people who are involved right now in higher education. But we also have people who have been involved in various types of public services—for example, an exlegislator from Kansas. They are very knowledgeable in terms of the types of questions concerning funding that we should ask the project director.

We also have on the board the chief executive officer of the New York Public Library, and a person who is the head of minority programs at the Western Interstate Commission on Higher Education. Again, we have a broader range than just those interested in colleges and universities.

Mr. **Flood**. What is the tour of duty? Good behavior or what?

Miss **Smith**. They were initially appointed on terms of 1, 2, and 3 years. New appointments would be for the 3-year period usually.

### SECTION 1202 STATE COMMISSIONS

Mr. **Flood**. Here is the basic law, the organic law for this setup, which happens to be an act of Congress.

It authorizes this program and contains a requirement that absolutely no grant should be made to these projects unless it has been submitted to the appropriate section 1202 State commission. Your heart bleeds about these States and about the State commissions.

Here is one requirement involving the State commissions. Are you following that requirement? If you are not following it, why aren't you?

Miss **Smith**. We are following that requirement. The legislation requires that prior to funding we provide to the 1202 agency an opportunity to comment on the proposal. We have been doing that. We don't send them the whole 2,800 because a lot of them don't get very close to the point of being funded. Those that we become very serious about and are looking into further we send to those agencies that have been designated by the State as 1202 agencies, or, if there is no 1202 agency, we send them to an agency which serves much the same function in the State.

We do want to get from the State their best advice on the proposals which we are thinking about funding.

We have one of those 15 people on our staff at the moment who spends a good part of her time checking with the State agencies on their reaction to the proposals which we are thinking about funding. Actually, we send about five times as many proposals to them as we will fund.

Mr. **Flood**. You actually do this?

Miss **Smith**. Yes.

Mr. **Flood**. You are very much impressed by this setup?

Miss **Smith**. We have had some good advice.

Mr. **Flood**. From whom?

Miss **Smith**. From some of the agencies in the States. They know some of the institutions. I think we would do this sort of thing with or without the section in the law.

Mr. **Flood**. Mr. Michel.

Mr. **Michel**. Thank you, Mr. Chairman.

### PROJECT LIST

I wonder if we might have for the record, then, a list of all of these 89 grants, to whom and for how much and what we propose to learn from them.

Miss SMITH. We have the list of proposals here which I can insert in the record indicating all of the recipients and the nature of the proposal, as well as the amount given. We have a fuller description of projects which I could subsequently supply if that is required. It is unfortunate that we are pressed for time as we always are in this type of session, because I really would like to have you get more familiar with the individual projects, perhaps even meet some of the project directors. After looking at this list, if there are any of you who might be traveling near projects and would like to visit them, we would be very happy to arrange that. I think you too would be impressed as I have been by both the sincerity and the commitment of the people, as well as the quality of the work they are doing.

[The information follows:]

## FY 1973 GRANTS
## FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

### I. NEW APPROACHES TO NON-TRADITIONAL LEARNERS

Barat College Lake Forest, Illinois, $49,572, for restructuring the college to meet postsecondary educational needs of "non-college-age" women.

Central YMCA Community College Chicago, Illinois, $49,184, to implement and evaluate an intensive support program for high risk students.

Cheyenne Consulting Corporation Lame Deer, Montana, $86,360, to assess the postsecondary educational needs of Northern Plains Indians and to develop model educational approaches responsive to these needs.

College of Ganado Ganado, Arizona, $49,604, for support of two outreach, counseling-instruction centers to serve adult Navajo Indians.

Community College of Vermont Montpelier, Vermont, $750,834, over two years, to support teams of coordinators, counselors, and supportive administrative personnel in providing individualized education in non-traditional settings to rural Vermonters.

Dayton Miami Valley Consortium Dayton, Ohio, $255,548, for needs assessment and the development of experimental, home-based programs for two communities wired for cable television.

Experimental and Bilingual Institute, Inc. New York, New York, $182,534, for support of a community-based college feeder program serving Spanish-speaking adults and other learners.

Flaming Rainbow/University Without Walls Tahlequah, Oklahoma, $83,404, for further development and expansion of an individualized learning program into three cluster communities of adult Native Americans.

Flathead Valley Community College Kalispell, Montana, $46,580, for planning a television-based system of reaching widely dispersed groups and individuals in rural areas with new educational programs.

I. New Approaches to Non-traditional Learners (continued)

Franconia College Franconia, New Hampshire, $47,500, to establish a center in an isolated rural area of New Hampshire for the provision of technical aid and social services to the population and work-related training for Franconia students and faculty.

The Greater Hartford Process Hartford, Connecticut, $200,000, for the establishment of Capitol University Center. On a fee-for-service basis, the Center will provide postsecondary counseling and examining services and arrange learning contracts for residents of the Greater Hartford area.

Hudson Consortium Colleges Jersey City, New Jersey, $175,000, for the planning and establishment of a new postsecondary educational agency in Hudson County which provides contractual and cooperative instructional and fiscal arrangements with other postsecondary institutions and with County, State and Federal agencies.

Junior College District of St. Louis St. Louis, Missouri, $49,700, to determine the number and extent of unserved postsecondary clientele in greater St. Louis and to inventory the available postsecondary educational resources.

Kuskokwim Community College Bethel, Alaska, $61,266, to develop a flexible and efficient delivery system of postsecondary education for isolated communities in Southwestern Alaska.

Merritt College Oakland, California, $49,999 for an Urban Chemical Technician Intern Project for veterans and high school seniors combining a semester of intensive study and laboratory experience with a six-month work-study internship in industry.

Miles College Birmingham, Alabama, $151,093, for the operation of a Freshman Year Program in Greene County preparing rural high school graduates for entrance into postsecondary education programs.

North Hudson Community Action Corporation Union City, New Jersey, $50,000, to establish a pilot learning center offering a variety of educational services (particularly to the Spanish-speaking), in conjunction with the Hudson Consortium Colleges.

Northeast Nebraska Technical Community College Norfolk, Nebraska, $157,320, to establish satellite centers on the Santee Sioux, Winnebago, and Omaha Indians reservations.

I. New Approaches to Non-traditional Learners (continued)

Pennsylvania Department of Education Harrisburg, Pennsylvania, $49,300, for the development of model open educational systems which will incorporate time-shortened degree programs and new options for new clientele.

Phoenix Opportunities Industrialization Center Phoenix, Arizona, $49,375, for experiential training of minority individuals for entry level positions in mass communications, radio, and television production.

Rhode Island College Providence, Rhode Island, $34,279, for the improvement and expansion of an Urban Education Center.

San Jose City College San Jose, California, $51,781, for a program of services designed to facilitate the re-entry of minority women into postsecondary education.

Sheldon-Jackson College Sitka, Alaska, $109,868, for employment-based training for Native American teacher aides in Southeastern Alaskan Communities.

Shippensburg State College Shippensburg, Pennsylvania, $49,815, for the development and installation of counseling and educational services for rural residents and industrial workers.

Syracuse University Research Corporation Syracuse, New York, $321,472 for (1) the provision of a network of counseling, facilitative, and examining services to non-traditional learners by the Regional Learning Service of Central New York, and (2) the definition of educational competencies in non-occupational areas.

Universidad Boricua Washington, D.C., $196,263, for the planning and pilot development of an educational approach and curriculum for Puerto Ricans seeking careers in teaching and related fields.

University of Massachusetts Amherst, Massachusetts, $50,000, to develop a model program for the educational rehabilitation of offenders at the Berkshire County House of Correction utilizing inmates, guards, correctional administrators and faculty.

University of Montana Missoula, Montana, $49,378, to increase educational opportunities in isolated communities by establishing a network of learning centers in regional libraries.

I. New Approaches to Non-traditional Learners (continued)

The University of New Hampshire System of Continuing Studies, Concord, New Hampshire, $49,831, to establish community-based educational centers which serve the perceived educational goals and needs of the population in a participatory and collaborative mode.

Women's Inner-City Educational Resource Service Boston, Massachusetts, $209,890, for the operation of a service center designed to improve the career and educational opportunities of adult urban women in the greater Boston area.

## II. APPROACHES TOWARD INDIVIDUALIZED, INTEGRATED, AND COMPETENCY-BASED TEACHING AND LEARNING

Antioch College Yellow Springs, Ohio, $104,926, for defining competency-based learning objectives for selected model learning centers, improving means of assessing progress toward these objectives, and developing a plan for a quality control monitoring system throughout the Antioch network.

Common College Woodside, California, $32,530, to develop techniques for student self-assessment and three(3) models for diagnosing and documenting student learning.

College for Human Services New York, New York, $200,000 for the development of a competency-based model institute for the education and training of human service professionals.

Educational Testing Service Princeton, New Jersey, $70,658, for the determination of priority competency areas and assessment needs in occupational education.

Fairhaven College of Western Washington State Bellingham, Washington, $134,333, to establish an experimental, multi-generational living-learning program.

Florida State University Tallahassee, Florida, $49,386, for determining three(3) content areas which have the highest probability of changing from a time based to an attainment-based curriculum, and defining competencies and assessment techniques in these areas.

Framingham State College Framingham, Massachusetts, $35,715, to improve assessment techniques in a new external degree program.

Georgetown University Washington, D.C., $121,515, to establish a national clearing house on methods of individualized instruction.

II. Approaches Toward Individualized, Integrated, and Competency-Based Teaching and Learning (continued)

Grand Valley State Colleges College Landing, Allendale, Michigan, $330,206, for the development of an auto-instructional modularized curriculum, as part of the establishment of a new college.

Indiana Vocational Technical College Indianapolis, Indiana, $44,280, for the development of curricula based on programmatic practices successfully used in the proprietary sector.

John Calhoun State Technical Junior College Decatur, Alabama, $61,409, to develop and implement a time-shortened Registered Nurse certification program for practical nurses and military-trained medical corpsmen.

Meharry Medical College Nashville, Tennessee, $203,880, to develop three interdisciplinary courses in behavioral aspects of health and illness utilizing video-taped self-instructional materials.

Mills College Oakland, California, $75,600, to establish a women's center for career and life planning and the integration of career and liberal arts curricula.

Minnesota Metropolitan State College St. Paul, Minnesota, $455,630, to develop and implement a metropolitan consortium to introduce competency-based education into the area junior colleges (first year award: $153,410).

Mt. Hood Community College Gresham, Oregon, $49,830, a competency-based computer-assisted nursing education program which will define proficiencies at the aide, LPN and ADN levels.

Pennsylvania State University University Park, Pennsylvania, $49,947, to develop video-tape materials for career counseling in innovative settings.

Phillips Community College Helena, Arkansas, $60,325, for the establishment of a Counseling Career Center that would expand the function of the counseling staff to include assistance to students in off-campus activities, coordinate the occupational programs offered at the college with the employment needs of the community and engage in curriculum revision to improve occupational career programs through an analysis of course content and instructional techniques.

Purdue University West Lafayette, Indiana, $60,596, for reducing the attrition of women students in the sciences.

II. Approaches Toward Individualized, Integrated, and Competency-Based Teaching and Learning (continued)

Seattle University Seattle, Washington, $43,871, for the development and evaluation of an integrated arts curriculum.

Seton Hall University Newark, New Jersey, $46,994, for the development and production of a video-cassette law school course on women and the law.

Staten Island Community College New York, New York, $104,125, to develop and implement, in community-based learning sites, an interdisciplinary curriculum.

Sterling College Sterling, Kansas, $49,600, to develop and implement new educational programs which contribute to and support the revitalization of rural areas by providing competency-based certification in non-agricultural rural careers.

University of Albuquerque Albuquerque, New Mexico, $27,115, to implement a bachelor's degree program for minority adults on the basis of levels of competency rather than accumulated credits.

University of California Riverside, California, $49,925, for the development of a competency-based certificate program in the areas of human services, education, and public safety.

University of Georgia Athens, Georgia, $45,999, for the development of video-taped self-instructional materials for a new Learning Resource Center in the Department of Chemistry.

University of Massachusetts Boston, Massachusetts, $59,929, to develop a competency-based curriculum at a new College of Public and Community Service.

University of Minnesota Minneapolis, Minnesota, $29,330, for individualized instructional curriculum in college mathematics.

University of Pittsburgh Pittsburgh, Pennsylvania, $85,646, to integrate a student initiated minority enterprise assistance project into the institutional framework of the graduate School of Business.

Women's History Research Center, Inc. Berkeley, California, $50,457, for developing local collections of materials sensitive to women's needs by (1) intensive training of library interns in the methods of the library, and (2) on-site consultations to libraries interested in providing services to women.

## III. APPROACHES TOWARD FACULTY DEVELOPMENT AND THE REVITALIZATION OF INSTITUTIONAL MISSIONS

Advisory and Learning Exchange Washington, D.C., $77,450, to develop and implement an experimental training program for non-professional workers.

Alverno College Milwaukee, Wisconsin, $96,856, for the first phase of implementing a competency-based educational curriculum in all programs and departments.

Bowling Green State University Bowling Green, Ohio, $53,427, to develop a regionally oriented program of competency-based faculty development.

Cleveland State University Cleveland, Ohio, $31,730, to evaluate the impact of faculty-initiated teaching and learning innovations.

El Paso Community College El Paso, Texas, $149,334, for the development of faculty competencies in multi-cultural education and individualized instruction.

Hampshire College Amherst, Massachusetts, $100,000, to facilitate student progress-by-examination by developing faculty competencies in student assessment.

Macalester College St. Paul, Minnesota, $41,988, for the development of diverse talents in present faculty members by increasing cross-disciplinary cooperation, improving instruction through the incorporation of new competencies into instructional strategies and broadening the experience of faculty members with community social issues and the life-cycles of non-academic careers.

Northwestern University Evanston, Illinois, $48,808, for an assessment by practitioners of contemporary theories of presidential leadership in large universities.

Oregon State System of Higher Education Monmouth, Oregon, $56,445, to develop faculty evaluation and incentive systems.

Ottawa University Ottawa, Kansas, $568,553, over a two-year period, for the "second stage" of transition into a fully experimental college utilizing contract learning, competency-based curricula, faculty development contracts, and non-disciplinary models of organization and supportive services

Seattle Central Community College Seattle, Washington, $40,000, to design a comprehensive educational program to meet the needs of non-traditional, inner-city learners.

## III. Approaches Toward Faculty Development and the Revitalization of Institutional Missions (continued)

University of Cincinnati Cincinnati, Ohio, $35,952, to develop case materials and propositions on presidential leadership in university settings.

University of Cincinnati Cincinnati, Ohio, $187,330, to establish a cooperative mechanism and prototype action program for relating an urban university to the needs of municipal government.

University of North Carolina Chapel Hill, North Carolina, $49,000, to assist in the planning, execution and evaluation of an Institute for Undergraduate Curriculum Reform for 20 to 30 postsecondary educational institutions in North Carolina.

## IV. APPROACHES TOWARD A MORE OPEN SYSTEM THROUGH IMPROVEMENTS IN INFORMATION, ASSESSMENT, AND INTER-INSTITUTIONAL ARTICULATION

American Association for Higher Education Washington, D.C., $308,485, over a three-year period to establish a national referral system on postsecondary educational innovations which relates the information needs of educational practitioners--students, faculty, and administrators and trustees--to successful programs and useful contacts with resource individuals (first year award: $137,030).

American Association of State Colleges and Universities Washington, D.C., $86,501, to expand the servicemen's opportunity college from a two-year to a four-year program.

Associated Colleges of the Midwest Chicago, Illinois, $41,600, to integrate the curricula of liberal arts colleges with the nursing and allied health program of Rush Medical Center.

California Coordinating Council for Higher Education Sacramento, California, $49,429, to plan alternative ways of serving the informational and counseling needs of those seeking postsecondary educational opportunities in California.

Empire State College Saratoga Springs, New York, $153,575, for an assessment of the cost-effectiveness of a model, contract-learning institution.

Harvard University Cambridge, Massachusetts, $100,000, for the assessment of the value-added by Harvard, Radcliffe, Boston State College, and Newton Junior College to their students' cognitive and moral-ethical development.

IV. Approaches Toward a More Open System Through Improvements in Information, Assessment, and Inter-Institutional Articulation (continued)

LaGuardia Community College New York, New York, $48,690, to establish a middle college encompassing students from the tenth to the fourteenth year.

National Council of Independent Junior Colleges Washington, D.C., $53,666, for data gathering and workships on comparative costs among private junior colleges.

Oregon State System of Higher Education Eugene, Oregon, $82,229, for the improvement and expansion of a computer-based career education information system for pre-college and adult populations.

Rochester Institute of Technology Rochester, New York, $4,115, for exploring the application of marketing concepts to problems of higher education.

St. Cloud State College St. Cloud, Minnesota, $16,648, to assess the effects of unstructured choice on student learning.

Union for Experimenting Colleges and Universities Yellow Springs, Ohio, $164,884, for experimenting, at six regional sites, with providing a University Without Walls option to high school students beyond their tenth year.

University of Puerto Rico Rio Piedras, Puerto Rico, $50,000, to develop plans for the implementation of a system of credential validation through the cooperative efforts of the Caguas Sub-Regional Hospital and the University of Puerto Rico.

Wiley College Marshall, Texas, $42,693, for a cooperative cost-sharing program among three(3) colleges.

World College West San Raphael, California, $26,398, for the comparative assessment of student development in a small, personalized college and a large university.

### BOARD OF ADVISERS

Mr. MICHEL. Did you mention a Board?

Miss SMITH. It is a Board of Advisers.

Mr. MICHEL. How many on that Board?

Miss SMITH. Fifteen.

Mr. MICHEL. No. 1, I commend you for not having them all in the field of education. You didn't mention anybody in the private sector, in industry, people who really have to make the buck that supports the privately endowed institutions and supports the system, what really we ought to have done in this country.

Do you have any good people from industry and business who know what it is to make a buck and what the game is all about, or are they all dreamers and schemers and headshrinkers as our children would say?

Miss SMITH. They are not dreamers and schemers and headshrinkers, but we don't have a good solid businessman on the Board.

Mr. MICHEL. Why not?

Miss SMITH. Actually we had some in the original mix of candidates for the Board. This is one of the things we are keeping in mind for replacements that come up this year.

I was very impressed when I worked with the Carnegie Commission with the contribution of the business members of that Commission.

Mr. MICHEL. Generally speaking, out in the community there are a number of people, though not all of them are obvious, who are very interested in their own alma maters or in the institutions of higher learning in their community. In the main, they have been the movers and shakers in getting the local site selection and everything. I think there ought to be some mix of that on the Board.

Miss SMITH. Robert Anderson is not in the field of higher education. His background has been in practice of law. He is very hardheaded and just the sort of person you are talking about. We also have James Lucas who is a member of the Montana House of Representatives and is, I would say, very practical in his approach to problems.

Mr. MICHEL. You did submit the list of those people?

Miss SMITH. Yes.

Mr. EDGERTON. Sometimes one can misjudge incumbents' past experiences from the present roles they play. For instance, Jack Grayson who has been on our Board and was the head of the Price Commission and is dean of the School of Business of the Southern Methodist University certainly knows a lot about business.

Frank Newman, who is the new president of the University of Rhode Island, used to be the business manager of Beckman Instruments. So he has considerable business experience.

Four or five of those people, if you look back, would qualify as the hardheaded businessmen you are looking for.

### REFORM OF PRESTIGIOUS INSTITUTIONS

Mr. MICHEL. I notice in looking through your testimony no kind of reference to a project or grant to a big prestigious university being involved. I am not just out of hand going to be critical of that. But I am wondering, are your only goals in the improvement of postsecondary education in institutions other than the more prestigious ones around the country? Is it assumed they are all-knowing and don't need any improvement and all you do is go to the community colleges and the smaller institutions to see what you can improve there? Or am I mistaken?

Miss SMITH. I think you are not mistaken in terms of the overwhelming majority of proposals in the first year, nor in the examples that happen to be included in the testimony.

In the first year we did have one small grant to Harvard, which is fairly prestigious. We have received proposals this year from Princeton and Dartmouth, as well as a number of other such schools.

Mr. MICHEL. Do you recall offhand what area the Princeton proposal was in?

Miss SMITH. I think the proposal is not actually from Princeton but in the Princeton region, to implement a counseling and referral service. We also have a proposal in from Yale this year. We have many more prestigious institutions of the sort you mention who have submitted proposals this year. I think the reason is that it takes more lead time often at these institutions to present proposals than it does the smaller institution, since we require among other things a clear indication of institutional commitment to the project.

Mr. MICHEL. By my questioning I don't mean to be criticizing that, because far too often in some of these programs it is Yale or Harvard normally that is the first place they turn. I wouldn't criticize you for going another route. I am kind of curious.

Miss SMITH. We are not discriminating either in favor of or against them.

Mr. MICHEL. Sometimes we talk about institutions of government being hard to change or the establishment being hard to move, and some of the toughest places to move to do anything new are our most prestigious universities.

Miss SMITH. That is correct.

Mr. MICHEL. I think they ought to be subject and applicable as much to change as some of the other things that get criticized.

I guess the academicians in good measure are criticizing some of the establishment from time to time for being wedded to ways of the past when they themselves are just as guilty for not living up to the times.

Miss SMITH. We do have more of the large State public universities in this year and also more of the major private institutions.

### FUND PROJECTS IN COUNSELING AND GUIDANCE

Mr. MICHEL. Are there any proposals in the area of counseling?

Miss SMITH. Oh, yes.

The first year, we funded about five proposals in the area of counseling, and we would like to make that as the testimony indicates, a special program for 1975—not counseling as such but the whole question of how we can help students make a more effective choice among options for careers and among educational institutions.

Mr. MICHEL. This is exactly what I am getting at. If we have to define the word "counseling" or give it a broader definition, I think that is most important in the career choice and in helping and assisting.

Miss SMITH. One of the questions we are attempting to look into through the projects is, "What type of location and what type of operation for the counseling activity suits which types of students?"

For instance, we have one computerized counseling program in which the student can interact with the terminal for the purpose of finding out what program is useful, at what institution, for what type of occupation.

In addition to that, we have a free-standing counseling agency separate from any institution of higher education, and it attempts to match the individuals, through a person-to-person counseling system, with institutions in the area that meet his educational needs.

Another project being supported utilizes peer counseling groups. We have actually about six proposals at the moment exploring different kinds of advising counseling and referral techniques.

Mr. MICHEL. I will say, frankly, one of the things I am a little critical of in the area of counseling in some of our institutions of higher learning is that it is passed off on a graduate student who is there at that institution pursuing some postgraduate work, and he is to be a counselor to an incoming freshman. I think that is a real void because there just isn't the kind of experience there, to really counsel incoming freshmen on career choices. I think so often that is so narrowed down to just a choice of subjects that lead within a major and a minor to a particular kind of degree, with really very little relevance to what I would think would be the core responsibility of good counseling.

I look at my own children first. As much advice as we would like to give them at home, I think in the main when they are fledglings out on their own it is up to them to get from other people outside the immediate family some input into their career choice. Maybe it is because we felt a deficiency in the counseling of our own children on that point that I am so bugged about it. But I am sure there are probably other parents who feel the same way. That isn't to say we want to absolve ourselves of our obligation to counsel our children. Far from it. But just in the practicalities of everyday life we know there are children who would like to get some advice and counsel from outside the inner family circle too. I think it is good, but it ought to be a worthwhile type of counseling that really means something.

Miss SMITH. As a matter of fact, with the passage of the 1972 amendments we provided the framework for this massive program of access to higher education, putting more money into postsecondary education through the students. That means your concern is even a greater concern today than it has been before because we are putting the chips on the students, and now we have to give the kind of background to the students so they can make wise choices. That is what we hope to do through the fund, and one of the reasons we are asking for the increase for 1975 is to make that concern one of our special focus programs in 1975.

Mr. MICHEL. As the chairman kind of indicated during his line of questioning, we will be keeping close watch to make sure you stay on track.

Miss SMITH. We want you to. We would also like to have you visit, as I mentioned before, any projects that you see on the list that would interest you. Or we could get into it more fully in any way you would wish. I know the time is limited now.

Mr. MICHEL. Thank you and thank you, Mr. Chairman.

Mr. FLOOD. Mr. Patten.

### APPROPRIATE FUNDING LEVEL

Mr. PATTEN. We authorized $75 million.

Miss SMITH. Yes, sir.

Mr. PATTEN. I appreciate the fact that your request is for $5 million more than last year. Do you think the Congress set an appropriate authorization of $75 million?

Miss SMITH. I would not question the wisdom of Congress. I think the need is very great. I think the question is not so much how much is eventually needed, but the rate at which it grows. I think it would be unfortunate if it grew too rapidly. Whether $15 million or some other figure is a better figure, I don't know. But I think that the magnitude of need is substantial in this area.

Mr. PATTEN. I would have never received a college education if a Rutgers professor in the twenties had not decided to come to our factory town and give us a course for 1 hour a week. I was never in the dormitory and never on campus, but I obtained my B.S. through extension courses.

It makes me think of the time when I was in the eighth grade, a girl next to me was just the smartest thing God ever put on this Earth. She went to work in the local factory for $6 a week although in my opinion she had great ability. She never went to high school.

Miss SMITH. You would be interested in some of our projects in which they are concerned with exactly the question you mention, and that is women who have ability but whose education was disrupted and are now reentering the educational field. Some of them do not have high school degrees, but they have been admitted into college and are doing well under some of our reentry programs.

I would like to tell the members of the committee that I think that we have many diamonds-in-the-rough that aren't in college and we should go after them and open the doors. We can do it and we should do it.

Mr. PATTEN. I support your efforts and I think if we funded the full authorization it would be one of the best investments we could make in America if the money is properly spent.

I have nothing further.

Mr. FLOOD. Have you tried a lawsuit?

Miss SMITH. Yes.

Mr. FLOOD. Before a jury?

Miss SMITH. Not with a jury. Federal court. Most were under chapter 10 of the Bankruptcy Act.

Mr. FLOOD. Mr. Shriver.

Mr. SHRIVER. Thank you, Mr. Chairman.

### THREE-YEAR AUTHORIZATION

Is the authorization for this fund indefinite in terms of years or is it for a specific number of years?

Miss SMITH. The fund has a 3-year authorization.

## INNOVATIVE ROLE OF CONSORTIA OF INSTITUTIONS

Mr. SHRIVER. You mentioned a consortium of several institutions of higher education, like the Hudson project, involving similar colleges offering their programs to residents in the area. We have had one of those going in my own district ,or partly in my district, for a number of years. What is new and innovative about this one you are describing?

Miss SMITH. Actually, there is nothing new about the consortium idea, in which several colleges get together, as such. I think that it may be an idea for which the time has now come.

We find consortia are much more concerned at the moment with delivering educational services to students than they have been in the past, through their combined resources. The new approach in consortia would seem to me to be to bring together different kinds of institutions.

For instance, there have been a lot of consortia which have brought together several liberal arts colleges, but we are now seeing consortia developed that include liberal arts colleges and community colleges. We are seeing arrangements that include, for instance, several liberal arts colleges with a large medical center for the purpose of creating a program that provides a student with both the liberal arts education and a marketable skill in the health field where manpower is needed. We are seeing some consortia in which the private liberal arts college is combining with the private trade school, sometimes even a profit trade school, for the purpose of creating again the combination of liberal arts education and the career components of that individual's education.

I would say the difference in the consortia that are being developed today is that they are more concerned with the delivery of that type of education program which is needed. They combine different kinds of institutions; they cut across the usual tight lines; and they are also much more concerned, it seems to me, with working toward particular kinds of educational purposes such as sharing their undergraduate curriculums or moving toward a combined career and liberal arts education.

## COMPARISON OF NIE AND FUND PROJECTS

Mr. SHRIVER. Yesterday we had before us the National Institute of Education, and they told us about a communications satellite project. You can tell us about a cable television project. And they tell us about a rural education project operated by the State of Nebraska and you tell us about one that is run by a 2-year college in Vermont. What is the difference?

Miss SMITH. I am not an authority on the Sun project in Nebraska, but I would say those two projects are somewhat different.

In the first place, the rural project in Vermont is a project which operates without any campus. The total institutional approach is one in which there is a kind of brokerage function going on. That is, we have educators who are interested in getting the educational resources of a community together with the learners in that community so that they can undertake individualized instruction toward the learners' own educational goals.

There is not a heavy investment in equipment in that case at all. It isn't a delivery system that uses television or electronic equipment of any sort. This is a person-to-person kind of linkage in which contract learning is a very important element. This is a project in which there is a very great, great need for a community college in that area, and our effort was simply to support it during an interim developmental period with the hope that the State, which has indicated it is interested in so doing, would then take it over as a permanent part of their educational enterprise.

To discuss the cable television project, perhaps I could turn to Mr. Edgerton. How would you distinguish it from the SUN project?

Mr. EDGERTON. I would not want to characterize the SUN project which is not ours. However, I know a little bit about it. It is a very research-oriented approach in which the number of people spend a good deal of time exploring such questions as, if you put an authority figure on the television screen as against some other mode of presentation of materials, do the learners respond better when they see the authority figure as against when they see some other things? It is a research project with a research agenda.

The Miami Valley consortium is a project designed to provide increased educational opportunities to adult citizens in several communities in the Dayton area, and it happens to use the vehicle of the delivery system of cable television because they feel that is the most programmatically effective and cost-effective way of reaching people in their homes.

So that the consortia leaders—and there are 12 educational institutions in the consortia involved—have identified through setting up community task forces what is the key target group in the area, and they have determined that women, primarily with children under 7, who spend a lot of time in the homes during the day, have a great interest in learning new things.

They have gone beyond that to develop some specifications for courses which these women want to learn, and they are developing pilot programs not only over cable but using the newspapers and other methods of reaching these people to deliver courses. I think that the vehicle of the delivery system is not really the determining characteristic of either project.

Miss SMITH. Maybe I could add one general point about the difference between the NIE project and these fund projects. They are, I think, rightly concerned about the research components of the project as well as some of the delivery components. We are primarily concerned in our project with bringing about the improvement and incorporating it as part of the ongoing enterprise within the area. Our concern is not so much to mine it for the research elements as it is to get it in place, to make certain it has an improvement quality for delivery of service in that area, and then to make certain that there is a process by which it will be funded on an ongoing basis.

Mr. SHRIVER. Thank you very much. Thank you, Mr. Chairman.

Mr. FLOOD. Mr. Robinson.

### PROJECTS IN THE POSTSECONDARY SECTOR

Mr. Robinson. Thank you, Mr. Chairman.

We have learned, Miss Smith, in the course of the hearings, that there is a distinction of sorts at least between higher education and postsecondary education. Your justification refers to both areas. Do you devote a conscious part of your budget to postsecondary versus higher education, knowing that we have perhaps 2.5 million more students in postsecondary education than we do in higher education as they are defined today?

Miss Smith. We do not have quotas for distributing our $10 million among different types of institutions. We have been concerned that in the first year we got many, many more proposals from the higher education segment than we did from other institutions in the postsecondary field. As a result of that, we tried, in our dissemination efforts of guidelines this year, to pay particular attention to those channels of communication which might more directly reach other kinds of postsecondary institutions. As a result we have more proposals from those institutions in our 1974 group of 2,800 than we had the first year.

We have not yet made our decisions on those proposals, so I can't tell you what proportion would go to them, but we do not have a strict quota basis. We are paying particular attention to make certain we reach them, but each proposal is funded on the basis of the merit of the proposal and not the type of institution it came from.

### LARGEST PROJECT FUNDED

Mr. Robinson. You have mentioned, of course, a very broad range of funding with regard to the individual grants that make up, I think you said, $700,000 for one over a period of some years. I would be interested in the one that is the most expensive. What is that? Would you describe it briefly?

Miss Smith. That is the one we have described earlier here, as well as in the written statement, the Vermont Community College. We made a one-time investment in this project. They know that we will not be continuing to underwrite in any way that project beyond the life of the grant. But it was a new enterprise, and we find, you see, in most of our projects we are providing that marginal amount of money which permits an institution to turn around or to put in place the developmental activities for an improvement. But to the extent that we also fund new enterprises like the Vermont project, which is one of the purposes the legislation indicated we should follow, it requires a larger input of Federal funds.

Mr. Robinson. From a selfish motive, of course, and coming from Virginia, do you fund any projects in Virginia?

Miss Smith. We have no projects in 1973 from Virginia. We have several very strong candidates in 1974 from Virginia.

### DISSEMINATION ACTIVITIES

Mr. ROBINSON. Your objectives, I think, are highly admirable. I wonder about the plans for the dissemination of the information that you gather and what you have in the way of a planning structure in order to disseminate the information that you are able to put together in terms of the information that would be of value to other institutions.

Miss SMITH. I discussed a bit earlier some of our dissemination philosophy, and that is that we would try to disseminate through the same kind of channels that people in education would ordinarily get other kinds of information. That is, we would want to disseminate through the journals they read, through the agencies they belong to, through the meetings that they would otherwise attend. We have already had some indirect dissemination activity over the past year by having several of our project directors take prominent roles in the national convention of the American Association of Higher Education, which had, I think, some 3,000 attendees. Our particular project directors had so many people interested in the programs that they were operating that they had to move them to the largest room in the convention facility.

We have two projects which are themselves dissemination projects. One operates in the field of personalized instruction materials. That project just held a conference in Washington which I attended, and there were 700 people from education institutions across the Nation which were interested in sharing information about personalized instruction materials.

We have not had in the last year within our staff the excess time nor the capacity for really planning an overall dissemination strategy, although as I have indicated earlier, we know in what directions we want to go. We hope, with the additional personnel we are requesting, we will be able to specialize at least one staff member directly toward that activity with all of us thinking in terms of our own projects and the kind of activity that would be best pursued for that project. It is important, I think, to fit the dissemination strategy to the nature of the project itself.

### SPECIAL FOCUS PROGRAMS

Mr. ROBINSON. I apologize for being late arriving. But your justification mentioned in your objectives of 1975 that you will sponsor two new special focus programs. Did you discuss those two new focus programs, and if not, would you do so?

Miss SMITH. I discussed one in response to a question from Mr. Michel. That program is the one where we are particularly concerned with expanding and putting in place, if they are not already there, those agencies which will provide better information for a student to make choice among educational opportunities and various kinds of career options.

We have some of those projects this year, and we think that they form a good core for a future emphasis in that area. We feel that at the time when students are receiving money directly from many aid programs for their educational costs, it is very important they have the kind of information that permits them to make a wise choice among educational options. We also feel they need to have good information about the range of career choices and what kind of programs lead to those career activities.

The other program fits in rather well with this, because one of the problems in existing kinds of educational activities is knowing what the quality of the programs might be along several dimensions; that is, how do you assess the quality of educational programs in a way which would permit students to understand what they give up or what they gain by choosing one program over another. And the other special focus program is to explore various kinds of measures of quality and assessment of the program which would be useable not only by students but also by legislators and policymakers in an accountable way.

Those are the two special focus programs we hope to introduce in 1975. We think they will complement each other and also complement the ongoing programs that we have this year.

Mr. ROBINSON. Will they be done in-house or will you contract them out?

Miss SMITH. They will be done in the same fashion as all of our proposals—that is, in our guidelines, as we did this year, we will spell out the issues and problems that we want the proposals to address, and we will invite proposals from institutions and agencies to respond to those problems. Then we will select among those proposals the ones that we think will contribute most to accomplishing that purpose.

Mr. ROBINSON. Thank you, Miss Smith and thank you, Mr. Chairman.

### CONTINUATION COSTS

Mr. CONTE. What commitments in funds will carry over into 1975?

Miss SMITH. We estimate that about $8 million will be needed in 1975 to support the continuation costs of projects initiated in the fiscal year 1973 and 1974 grant cycles. As I indicated in my statement, we find that many action projects require at least 2 years to become fully operational and to develop alternative sources for support. It is in part because of these high continuation costs that the program increase we are seeking in fiscal year 1975 is so important if we are to be in a position to start new projects.

### AVERAGE GRANT SIZE

Mr. CONTE. What is the average size of the fund's grants?

Miss SMITH. The average grant awarded last year was approximately $104,000. However, please keep in mind that the range of grant sizes is quite broad—from $4,000 to $300,000 in fiscal year 1973.

### CONTRACTS

Mr. CONTE. How many contracts do you have? What kinds of projects are supported by contracts as opposed to grants?

Miss SMITH. In fiscal year 1973, one contract was awarded, along with the 89 grants. This will continue to be our pattern, with most of the funding taking the form of grants. However, the law authorizing the program envisioned that for-profit institutions in postsecondary education would also be eligible to receive awards. In those cases, contracts would be the funding instruments. In addition, we envision utilizing contracts to support evaluation and developmental activities for the fund program itself, as opposed to those connected with particular projects in the field.

### UNDERREPRESENTED GROUPS

Mr. CONTE. Can you identify what proportion of your program is aimed at groups formerly underrepresented in postsecondary education?

Miss SMITH. We estimate that approximately one-half of our projects in fiscal year 1973 are centrally directed toward the improvement of educational opportunities for groups which have been underrepresented in the past—including, for example, working adults, housewives, innercity minorities, servicemen, and senior citizens. In addition, a number of other projects, while their purposes are not focused as directly toward these groups, involve such new learners in their activities or will be of considerable benefit to them. Overall, I would estimate that approximately 75 to 80 percent of our projects involve attention to such groups.

### COST OF POTENTIAL PROJECTS

Mr. CONTE. In 1973, you funded 89 out of 1,400 proposals received. How many of the 1,400 were considered worthy of support had you had sufficient funds? What would they have cost?

Miss SMITH. 1973 was a difficult year to analyze from that perspective, in view of the fact that the program was initiated quite late in the fiscal year. Although a number of proposals beyond the 89 we did fund had the beginnings of good proposals, we simply did not have the time to encourage their further development. As for this year, although our evaluation process is not yet completed, I would estimate that we have under serious consideration approximately 200 proposals which are quite strong and request about $21 million; we will be able to fund about one-half of these projects.

### COOPERATIVE PROJECTS

Mr. CONTE. How many of the projects that you support involve sharing institutional resources?

Miss SMITH. In fiscal year 1973, 7 of the 89 projects funded are cooperative ventures among 2 or more institutions and agencies. Some of these projects involve different educational institutions, while others link colleges and universities with other types of agencies, such as hospitals and city governmental units. In addition, the long-range effects of another four or five projects would definitely include increased cooperation and resource sharing among numbers of institutions.

We are discovering in our review of the 2,800 proposals submitted this year a very substantial number of strong proposals which involve the creation of significant links among institutions and agencies, for the purposes of attaining greater cost effectiveness and providing improved educational programs. We may well have a number of instructive examples of interinstitutional cooperation in place in the field next year.

Mr. Flood. Thank you very much.

## JUSTIFICATION OF THE BUDGET ESTIMATES

Fund for the Improvement of Postsecondary Education

Amounts Available for Obligation

| | 1974 | 1975 |
|---|---|---|
| Appropriation | $10,000,000 | $15,000,000 |
| Total, obligations | 10,000,000 | 15,000,000 |

## Summary of Changes

| | |
|---|---|
| 1974 Estimated Obligations | $10,000,000 |
| 1975 Estimated Obligations | 15,000,000 |
| Net change | +5,000,000 |

| | Base | Change from Base |
|---|---|---|
| Increase: | | |
| A. Program: | | |
| 1. Postsecondary Improvement | $10,000,000 | $+5,000,000 |
| Total, net change | --- | +5,000,000 |

## Explanation of Changes

Increases:

A. Program:

1. Postsecondary Improvement. -- The increase of $5,000,000 will provide an additional 75 new projects, for a total of 175 projects in fiscal year 1975.

### Obligations by Activity

| Page Ref. | | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|---|
| | Postsecondary Improvement | $10,000,000 | $15,000,000 | $+5,000,000 |

### Obligations by Object

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants | $10,000,000 | $15,000,000 | $+5,000,000 |

## Authorizing Legislation

| Legislation | 1975<br>Authorized | <br>Appropriation requested |
|---|---|---|
| General Education Provisions Act: | | |
| Section 404 -- Support for improvement of postsecondary education.......... | $75,000,000 | $15,000,000 |

## Fund for the Improvement of Postsecondary Education

| Year | Budget Estimate to Congress | House Allowance | Senate Allowance | Appropriation |
|---|---|---|---|---|
| 1973 | $10,000,000 | $ 1/ | $10,000,000 | $10,000,000 |
| 1974 | 15,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| 1975 | 15,000,000 | | | |

---

1/ Not considered by the House.

## Justification

## Fund for the Improvement of Postsecondary Education

| | 1974 Estimate | 1975 Estimate | Increase or Decrease |
|---|---|---|---|
| Grants for Postsecondary Improvement..... | $10,000,000 | $15,000,000 | $+5,000,000 |
| (a) New awards........................ | (8,000,000) | (7,000,000) | (-1,000,000) |
| (b) Non-competing continuing awards... | (2,000,000) | (8,000,000) | (+6,000,000) |
| (c) Competing continuing awards....... | ( --- ) | ( --- ) | ( --- ) |

### Narrative

Program Purpose:

The Fund, which was established by the Education Amendments of 1972, was created to improve the effectiveness of postsecondary education by encouraging reform and improvement of existing policies and practices in the field. Grants and contracts are awarded to postsecondary education institutions and agencies to support projects demonstrating new and exemplary approaches to postsecondary education, or adding to the understanding of successful approaches. Proposals may be submitted under two programs:

- the comprehensive program which provides incentives for field-generated ideas for change within broad areas, and
- the special focus programs, which are designed to target funds in more specifically defined areas.

Plans for Fiscal Year 1975:

The 1975 budget requests $15,000,000 for the Fund's activities, an increase of $5,000,000 over the 1974 level. Of the amount requested, $8,000,000 is for the continuation of existing projects, and $7,000,000 for new starts.

Of the $7,000,000 for new projects, $3,000,000 will be allocated to the comprehensive program. The remaining $4,000,000 will be allocated to two special focus programs for the following purposes:

- Improving Conditions for Student Choice -- Up to $2,000,000 will be used for counseling and information dissemination projects designed to enhance the ability of students to make more effective decisions about their future. The kinds of decisions involved could include whether or not to seek a postsecondary education, and, if so, from what type of program and/or institution.

- Improving Techniques and Processes for Assessing the Quality of Educational Programs -- Up to $2,000,000 will be used for projects demonstrating improved approaches to assessing educational programs and institutions. New demands for accountability have gone beyond the need to demonstrate fiscal responsibility. Potential students, policy-makers, and those providing funds for postsecondary education want to know to what extent a specific program or institution is accomplishing its objectives and to what extent it is performing effectively. In higher education, attempts to assess quality have usually been in terms of inputs, such as dollars spent, the number

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of Ph.D.'s on the faculty, or the size of the library, rather than
in terms of the outcomes of the program. The Fund plans to encour-
age the development of and experimentation with new approaches and
techniques to assessing outcomes of institutional programs.

Accomplishments and Objectives 1973/1974:

The Fund was established in fiscal year 1973, and a 15-member, Secretarially-
appointed Board of Advisors was created to assist in determining funding priori-
ties and in reviewing proposals. In its initial year, the Fund exclusively sup-
ported field-generated proposals. No special focus areas were identified.

Out of the more than 1,400 eligible proposals received in fiscal year 1973,
the Fund awarded 89 grants and one contract totalling $9,300,000 for projects
directed toward achieving improvements in postsecondary education. The following
examples illustrate the kinds of projectc funded:

- Improved counseling, referral, and information services for students,
  including an urban-based counseling and referral center for adult
  women, and a computerized career education information system for
  pre-college and adult populations.

- Alternative educational systems, including an off-campus community
  college system in a rural state; and in another state, a series of
  learning centers serving American Indians located on reservations.

- New approaches to teaching and learning, including an existing
  college completing its transition into a fully experimental insti-
  tution where students and faculty develop learning "contracts," and
  a new college offering flexible, individualized programs where stu-
  dents may register at any time for courses and programs under which
  they may study at their own pace.

Other projects funded in fiscal year 1973 are directed toward developing and
demonstrating improved methods for assessing student learning, new forms of coop-
erative arrangements among colleges and with other social agencies, and improve-
ments in measuring the cost-effectiveness of educational programs.

During fiscal year 1974, the Fund will use approximately $8,000,000 out of
its total program budget of $10,000,000 to initiate new projects. Of this amount,
$4,000,000 will be used for the comprehensive program. Awards will be made which
continue the strategy of providing incentives for field-generated ideas for change
within broad areas. The remaining $4,000,000 will be used to initiate the special
focus approach in the following areas:

- Approaches to Competency-Based Learning -- Up to $2,000,000 will
  be used for projects centered primarily in colleges and univer-
  sities which are designed to sharpen educational objectives, de-
  velop evaluation procedures, and develop new educational programs.
  With this approach, students are assessed and granted degrees, not
  for time spent in classrooms or for credit hours earned, but for
  their achievement of specific skills and understandings.

- New Incentive Structures -- Up to $2,000,000 will be used for
  projects designed to develop and demonstrate institutional poli-
  cies and procedures that encourage faculty members to be more
  effective participants in the educational process. For example,
  projects will seek to improve faculty incentives by demonstrating
  new approaches to staff recruitment, promotion, and tenure; the
  evaluation of teaching effectiveness; and the development of
  forums for recognition of excellence in teaching

## EDUCATION DIVISION

### Fund for the Improvement of Postsecondary Education

### Program Purpose and Accomplishments

Activity: Postsecondary Improvement (Education Amendments of 1972)

| | 1975 | |
|---|---|---|
| 1974 | Authorization | Budget Estimate |
| $10,000,000 | $75,000,000 | $15,000,000 |

Purpose: To increase the effectiveness of postsecondary education by supporting activities and projects throughout the field of postsecondary education which have the potential for achieving needed reforms and improvements.

Explanation: Funds are awarded, in the form of grants and contracts, to institutions and agencies of postsecondary education, within designated priority areas. The Director and staff are aided in the process of determining priorities and reviewing proposals by a Secretarially-appointed Advisory Board.

Accomplishments in 1973/1974: In fiscal year 1973, the program was implemented and 89 grants and one contract totalling $9,300,000 were awarded from a pool of 1,400 submitted proposals. In fiscal year 1974, new and continuation grants will be awarded within a comprehensive program and two special focus programs.

Objectives for 1975: The fund will sponsor two new special focus programs and will continue the comprehensive program competition as well.

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